Rental Integrity Monitoring (RIM) Guide
Public Housing (PH) and Housing Choice Voucher (HCV) Programs

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<u>**Appendices**</u>

Part I.   Introduction and Purpose

Rental Integrity Monitoring (RIM) reviews, including Upfront Income Verification (UIV) implementation, are but one strategy in a larger, HUD-wide effort to reduce income and rent errors and improper payments in the administration of both the public housing and Section 8 programs – known as the Rental Housing Integrity Improvement Project (RHIIP). In this document, we offer a brief overview the RHIIP initiative, as well as the study that offered the impetus for much of RHIIP – the Quality Control for Rental Assistance Subsidies Determinations study.

The purpose of RIM reviews is to establish whether and to what extent public housing agencies (PHAs) are accurately, thoroughly and clearly determining family income and rent in the public housing program and the Section 8 housing choice voucher program. The primary objectives of the RIM reviews are:

    a. Detect and reduce errors in income and rent calculations at targeted PHAs;

    b. Reduce rent underpayments and/or overpayments by residents; and

    c. Maximize HUD's limited housing resources thereby assuring maximum participation in HUD's housing programs by as many low-income families as feasible.

To the extent possible, RIM reviews also seek to track the specific dollar impact of income and rent discrepancies. Specifically, a RIM review seeks to measure the dollar impact of correction of identified income and rent deficiencies at targeted PHAs.

Accurate income and rent determination is a *process* at a PHA, not simply a set of calculations. This process involves several inter-connected and detailed determinations and actions. HUD reviewers will need to employ a number of different actions, activities and strategies designed to gather information about all of the various aspects of income and rent performance at a specific PHA. The information gathered represents a base of income and rent knowledge about the PHA, but gathering the information is only an interim step. HUD reviewers will then analyze the information in order to draw a number of conclusions about PHA income and rent performance, using the information gathered as supporting evidence for those conclusions.

Ultimately, the conclusions reached through the RIM income and rent review process should result in a report to the PHA, outlining specific errors and discrepancies identified in the review. The HUD field office will then track PHA progress in correcting the identified discrepancies, provide technical assistance as needed, and ensure that all income and rent findings and errors are corrected.

The purpose of this **RIM Guide** is to aid the HUD reviewer(s) in conducting an on-site monitoring review of a PHA's public housing and Section 8 housing choice voucher programs, targeted specifically to errors in income and rent. The Guide offers a specific set of activities and questions that the reviewer(s) can use to prepare for, conduct and organize the results of a targeted RIM review at a specific PHA. The Guide provides several tools organized to offer HUD reviewers a structured and systematic approach to monitoring PHA income and rent determinations, with flexibility to use any number of actions and strategies listed, or to add additional or alternative actions as the reviewer sees fit. The tools are designed to allow the HUD reviewer to exercise judgment and tailor the effort to the specific circumstances of the PHA.

Part II.   The "Quality Control for Rental Assistance Subsidies Determinations" Study

A. Background

In June 2001, HUD's Office of Policy Development and Research (PD&R) issued the **Quality Control for Rental Assistance Subsidies Determinations** study. This study provides national estimates of the extent, severity, costs, and sources of rent errors for three program types:

- Public Housing

- PHA-administered Section 8 programs (HCV, Certificates and Moderate Rehabilitation)

- Owner-administered Section 8 programs (New Construction, Substantial Rehabilitation, Property Disposition and Loan Management)

Data for the study was collected during May through August 2000. On-site tenant interviews, file review, and independent third-party income verifications were conducted by an independent contractor for a nationally representative sample of families who receive public housing and Section 8 assistance. Using these data and adhering to all HUD requirements, the Department made income, rent, and subsidy determinations based on adherence to all HUD guidelines. These determinations were then compared to those made by local public housing and Section 8 project staff.

A quality control rent was calculated for each household in the study, using the information reported by the household and verified. The quality control rent was then compared to the actual tenant rent (the rent from the HUD Form 50058) to determine if there were any discrepancies. For purposes of the study, an "error" was defined as any rent calculation or eligibility determination that differed from what would have occurred if the PHA had followed all HUD income certification and rent calculation requirements during the most recent income certification/recertification. A discrepancy of $5 or less between the actual and QC rent was not counted as an error. This was done to eliminate minor calculation discrepancies that have little impact on program-wide subsidy errors.

The study found that substantial errors were being made in the income and rent determinations that set the subsidies HUD pay on behalf of families who receive public housing and Section 8 program assistance. It estimated that, due to a variety of income calculations and other errors, over $600 million in annual rent overpayment were made and that rent underpayment were $1.7 billion-nearly three times as much as overpayments.

The results of the study allowed the Department to identify the most serious errors, their costs, and their apparent causes. The study formed the basis for many of the corrective actions that are now being developed, including the RIM reviews discussed in this guide.

B. Major Error Findings

The analysis of tenant files, tenant interview, and income verification data indicates that:

- 34 percent of all households paid at least $5 <u>less</u> than they should (with an average error of $95)

- 44 percent of all households paid the correct amount of rent within $5 (32 percent paid exactly the right amount)

- 22 percent of all households paid at least $5 <u>more</u> than they should (with an average error of $56)

The percent of error (or error "rate") varied by program type. Error rate was calculated by dividing the sum of the dollar amount of gross rent error (i.e., differences in excess of $5 between actual and QC rents) by the sum of the dollar amount of the QC rent. The following chart summarizes this information.

Rent Error by Program Type

Program	Rent Underpayment (Subsidy Overpayment)	Rent Overpayment (Subsidy Underpayment)
Public Housing	33%	20%
PHA-Administered Section 8	42%	20%
Owner-Administered Section 8	27%	25%
Total	34%	22%

Regarding the overall dollar error impact of rent errors, major findings were as follows:

- ***Rent Underpayments of Approximately $1.7 Billion Annually.*** For tenants who paid less monthly rent than they should pay (34 percent), the average monthly underpayment was $95. For purposes of generalization, total underpayment errors were spread across all households (including those with no error and overpayment error) to produce a program-wide average monthly underpayment error of $32 by the approximately 4.3 million units represented by the study sample results in an overall annual underpayment dollar error of approximately $1.7 billion per year.

- ***Rent Overpayments of Approximately $.6 Billion Annually.*** For tenants who paid more monthly rent than they should pay (22 percent), the average monthly overpayment of $12. Multiplying the $12 by the approximately 4.3 million assisted housing units represented by the study sample results in an overall annual overpayment dollar error of approximately $634 million per year.

- ***Net Overall Gross Rent Error of $1.04 Billion Annually.*** When combined, the average *gross* rent error per case is $44 ($32+$12). Overpayment and underpayment errors partially offset each other. The *net* average rent error is $20 ($32-$12). HUD subsidies for Public Housing and Section 8 programs equal the allowed expense level or payment standard minus the tenant rent. This means that rent errors have a dollar-for-dollar correspondence with subsidy payment errors. The study found that *net* subsidy cost of the under- and over-payments was approximately $1.04 billion per year ($1.669 billion - $.634 billion).

C. Sources of Errors

For purposes of the study, rent errors were divided into two separate categories:

1. Administrative Errors

Administrative errors are primarily errors in procedures and include calculation errors, transcription errors (e.g., tenant file documentation does not match HUD 50058), failure to recertify on time and failure to verify information. The two most common administrative errors were **calculation errors** and **failure to verify and make use of verified income and expense information**. The following table provides the Gross Rent Error and Net Rent Error for households with each type of administrative error:

Administrative Error

Error Type	Gross Rent Error			Net Rent Error		
	% Households in Error	Average Dollars in Error	Standard of Error of Mean	% Households in Error	Average Dollars in Error	Standard of Error of Mean
Transcription Errors	50%	$12	$2.87	50%	- $6	$3.09
Calculation Errors – Allowances	8%	$26	$13.37	8%	- $17	$13.99
Calculation Errors – Income	3%	$10	$4.69	3%	$2	$5.02
Calculation Errors – Other	23%	$18	$6.04	23%	- $8	$6.34
Overdue Recertifications	6%	$9	$3.53	6%	$4	$2.84
Any Administrative Errors	64%	$12	$2.70	64%	- $5	$2.88

2. **Component Errors**

Component errors are errors in the specific income and expense components used to calculate rent. Component errors usually result when PHA staff do not conduct a thorough tenant interview or do not verify the information obtained during the interview.

Income and deductions were by far the most significant sources of error in determining rent. The following table provides the frequency of the most serious component errors and the average error for the component for households with the same type of error:

Rent Error by Component

Rent Component	No of Households	% of Households	Average Dollar Amount
Earned Income	647,000	26.9%	$6,641
Other Income	289,000	12.0%	$3,853
Pension, etc., Income	326,000	13.6%	$3,701
Asset Income	103,000	4.3%	$3,450
Public Assistance	227,000	9.4%	$2,816
Child Care Allowance	75,000	3.1%	$2,333
Medical Allowance	360,000	15.0%	$1,157
Dependent Allowance	112,000	4.7%	$1,060
Disability Allowance	2,000	0.1%	$600
Elderly/Disabled Allowance	85,000	3.5%	$400
No Component Error	180,000	7.5%	$0
Total	2,406,000	100%	$3,472

Part III.   The "Rental Housing Integrity Improvement Project" (RHIIP)

A. Background

Early in 2001, HUD took an important step to improve the effectiveness of its rental housing assistance programs through implementation of the Rental Housing Integrity Improvement Project (RHIIP). The results of the **Quality Control for Rental Assistance Subsidies Determinations** study provided the impetus for much of this effort.

RHIIP is a priority Secretarial initiative designed to reduce income and rent errors and improper payments in the administration of both the public housing and Section 8 programs. RHIIP supports the Presidential mandate that requires federal agencies to reduce costly program errors and seeks to address the following HUD oversight findings made by 3 (three) federal entities:

- The U.S. General Accounting Office (GAO) has included HUD's housing assistance programs as one of 22 (twenty-two) "high risk areas" designated in the federal government.

- The elimination of errors and improvement of controls in HUD's rental housing assistance programs is a key Office of Management and Budget (OMB) and Congressional oversight issue.

- HUD's Office of the Inspector General (OIG) has identified material weaknesses in HUD's oversight of the verification of tenant income used in computing rents and subsidy and the rental calculation process.

RHIIP represents a shift in focus from back-end error detection and correction efforts, to more proactive front-end program improvements and controls designed to reduce errors by addressing the root causes of many income and rent errors in public housing and Section 8 programs. RHIIP is designed to take a comprehensive approach that identifies the best methods of reducing these errors and takes actions that better assure that "the right benefit goes to the right person" and that HUD's limited program funding serve as many low-income households as possible.

B. RHIIP Accomplishments

As a result of RHIIP implementation, HUD has made significant progress in eliminating improper rental assistance payments. HUD's OIG has identified rental assistance payment errors as a material weakness in past audits of the Department's financial statements, and in response, HUD has committed to specific and aggressive corrective actions as part of the Eliminate Improper Payments initiative of the Presidential Management Agenda (PMA). A FY 2000 baseline estimate of $3.2 billion in gross annual improper rental assistance payments attributed to program administrator error and tenant underreporting of income was reduced by 50 percent to $1.6 billion in FY 2003, and by 61 percent to $1.2 billion in FY 2004. In addition, HUD estimates that the total error attributable to tenant underreporting of income was $255 million in FY 2004, a decline of 74 percent from the FY 2000 baseline of $978 million.

HUD believes that the general downward trend in tenant income error will continue as the result of an improved methodology for reviewing income discrepancies identified through computer matching to better determine actual cases of underreported income impacting subsidy levels. The reduction will also be facilitated by: improved income verification efforts by housing program administrators; increased voluntary compliance by tenants due to promotion of the issue; and HUD's initiation of improved computer matching processes for upfront verification of tenant income.

In October 2005, HUD's Enterprise Income Verification System made income data from the National Directory of New Hires available to local PHAs to allow them to conduct more effective and timely income verification for tenants. The National Directory of New Hires, administered by the Department of Health and Human Services, is a central source of all quarterly state wage and unemployment benefit information, as well as monthly employer information on new hires. By the end of FY 2006, HUD plans to consolidate all available income match data sources in the Enterprise

Income Verification System for controlled use by program administrators in all HUD rental housing assistance programs, including multifamily housing. This increased computer matching capability has the potential to eliminate the majority of the remaining estimated improper payments attributable to tenant underreporting of income.

The following chart shows the reduction in improper payments due to program administrator and tenant income reporting errors for the period 2000 – 2004.

Reductions in Improper Payments Due to
Program Administrator and Tenant Income Reporting Errors

Period	Percent of Cases In Error	Over Payments*	Under Payments*	Net Over-Payments*	Gross Improper Payments*
2000	60	2.594	.622	1.972	3.216
2003	41	1.087	.519	.568	1.606
2004	34	.936	.306	.630	1.242
Reduction from 2000 to 2004	26	1.658	.316	1.342	1.974
% Reduction from 2000 to 2004	43%	64%	51%	68%	61%

* Dollars in billions
Source: FY *2005 Performance and Accountability Report*

Note: RHIIP Accomplishments described above includes all HUD rental assistance programs (i.e., Public housing, Housing Choice Voucher and Office of Housing programs)

Part IV.   Rental Integrity Monitoring Review Process

This section of the Guide focuses on the actual RIM income and rent review process, providing detail on the selection of PHAs for RIM reviews, preparing for and conducting the reviews, and follow-up to ensure correction of income and rent deficiencies identified in the reviews.

A. Key RIM Quality Control Review Issues

1. Income, Rent and PHA Management of the Occupancy Function

Income and rent determinations, whether public housing or HCV, are not simply a series of mathematical calculations. Income and rent determinations are part of the larger occupancy *function* at the PHA, whose overall objective is to deliver limited housing resources to qualified families. Every PHA must design policies, procedures and processes to manage this function.

The occupancy function at a PHA is an inter-related set of responsibilities that include:

- PHA organization and staff who serve applicants/tenants; training and support given to those staff, etc.

- Policies – Admissions and Occupancy Policies for public housing; Administrative Plan for HCV

- Applicant intake policies/procedures

- Waiting list management policies/procedures

- Initial certification/reexamination of income

- Dissemination of information to applicants/tenants

- Verification of Income (upfront and/or third party)

- Software programs that automate the occupancy management process, income and rent calculations, etc.

- Interview tools used to identify family circumstances, sources of income, etc.

- Submission of required information to HUD, including HUD-50058 data.

Each PHA may handle these responsibilities differently within their organization. In conducting a targeted RIM review focused on income and rent, one must understand how a particular PHA manages the occupancy function. Understanding the PHA's occupancy policies, procedures and processes, and how these pieces fit together into the larger occupancy function, may be the key to detecting income and rent errors at the PHA and understanding their underlying causes.

Occupancy function management issues to consider during the RIM quality control review:

- a. What is the **skill level and competency** of PHA occupancy staff conducting application and reexamination interviews, conducting income and rent determinations? Does staff understand and appropriately apply current program terms, regulations and requirements?

- b. Does the PHA have an adequate **training program** for occupancy specialists? Have occupancy staff been trained on changes in the law pursuant to QHWRA, the revised HUD-50058, PIC/MTCS, etc.?

c. To what extent has the PHA developed **internal quality control systems** (e.g., supervisory review systems) as a "check" on income and rent determinations? Quality control systems need not be very elaborate to be effective. The most frequently implemented quality control is to have a supervisor or the most knowledgeable occupancy person rework a sample of cases performed by other staff. In situations where there are only one or two occupancy persons or where there is no experienced staff, the PHA could review a few cases with an experienced PHA or with HUD Field Office staff.

d. Do PHA **occupancy policies** on admissions, reexaminations, interim reexaminations, income determinations, and rent calculations reflect changes in the law pursuant to QHWRA? Do policies reflect the actual practices implemented by the PHA?

e. What role do **PHA "job-aids"** play in the occupancy management and income/rent determination process? Do PHA forms, worksheets, guides, etc., accurately reflect current program requirements? Do they result in accurate income and rent determinations?

f. The processes for **accepting and processing applications**, scheduling and processing reexaminations, conducting interviews, gathering necessary information, etc., are crucial for successful income and rent determinations. The study estimated that roughly 45 percent ($753 million) of the total rent underpayment errors detected by the study could be attributed to income or expense items that were *not known* to the PHA but were discovered as a result of the QC study process. Most of the new income or expense items identified in the QC study process were identified through interviews with tenants rather than third-party verification. This information indicates that a complete detailed interview – simply asking the right questions of the applicant or tenant family – will identify additional sources of income and expenses, and result in a more accurate rent calculation.

g. Like most organizations, PHAs generally use some form of **computer software** or **computer programs** to automate management processes. Because of the detail and complexity of occupancy requirements and the requirements for submission of HUD-50058 data into PIC/MTCS, the occupancy function is a prime candidate for computerization. The HUD reviewer should examine PHA processes for managing the occupancy function via computer software programs. Request PHA staff to "walk" through the system, describing and explaining the various data screens, data input requirements, system-generated reports, etc. Ensure that the system handles occupancy requirements appropriately, and that PHA staff understand how and why their system handles occupancy data as it does.

2. <u>**Verification and Documentation**</u>

Verification and documentation of information is a critical issue that cuts across all areas of occupancy. All information relevant to the tenant family must be verified by the PHA and documented in the tenant family's file. Effective and efficient PHA performance in this area is fundamental to accomplishment of the core objectives of the occupancy function, especially income and rent determination.

In the area of income and rent, there are few HUD <u>prescribed</u> sources of documentation. For the most part, the PHA must develop criteria for acceptable forms of verification for income sources, exclusions from income, deductions from income, etc. Through its policies – Admissions and Occupancy policies for public housing; Administrative Plan for HCV – the PHA outlines the criteria for verification and documentation of this information.

Documentation and verification is a joint responsibility of the both the PHA and the applicant or tenant family. Any information related to a family's eligibility for assisted housing, as well as the family's income and rent level, must be verified and documented. The family must cooperate with the PHA in this endeavor, providing the necessary documentation and paperwork required by the PHA, signing the necessary release of information forms to enable the PHA to contact other agencies, employers, etc., regarding the family's status, and being responsive and forthcoming with information requested by the PHA.

The reliability and acceptability of verification and documentation generally follows a hierarchy, from most reliable to least reliable:

1st: Upfront Income Verification (UIV): verification of income through an independent source that systematically and uniformly maintain income information in computerized form for a large number of individuals. This includes information obtained through electronic means, such as computer matching, and other forms of upfront income verification techniques.

2nd: Third Party Written: independent verification of income and/or expenses by contacting the individual income/expense source(s) provided by the family. The verification documents must be supplied directly to the independent source by the PHA and be returned directly to the PHA from the independent source. Information may be mailed, faxed, or sent by some other reliable means. Third party written verification must accompany UIV data that is disputed by the family.

3rd: Third Party Oral Verification: Independent verification of income and/or expenses by contacting the individual income/expense source(s) supplied by the family, via telephone or in-person visit. PHA staff should document in the tenant file, the date and time of the contact, the name of the person contacted and telephone number, along with the confirmed verified information. Oral third party verification may not be used to verify disputed UIV data.

4th: Document Review: The PHA reviews original documents provided by the tenant in support of their declaration of income during the income re-examination. This verification method can only be used as the sole source of income verification when UIV data is not available and third party verification cannot be obtained. When the PHA resorts to reviewing tenant-provided documents, the PHA must document in the tenant file why third party verification was not available. Document review may accompany UIV data to justify use of more current tenant-provided information to calculate anticipated annual income.

5th: Family Declaration or Certification: The PHA may accept a notarized statement or affidavit from the tenant that declares the family's total annual income. This verification method should be

used as a last resort when all other forms of verification are unsuccessful. The PHA must document in the tenant file why third party verification was not available.

PHAs should always seek upfront income verification from HUD's UIV system, the Enterprise Income Verification (EIV) system to validate tenant-reported information. The PHA should request current, original tenant documents to support UIV-reported information. When the tenant disputes UIV data, the PHA must request written third party verification of the disputed information. For information that may not be verified through HUD's EIV system, PHA should always seek third party written verification first. Where third party written verification is not possible, not available, impractical to obtain, etc., the PHA may accept lesser reliable forms of verification, with clear rationale for the user of lesser verification techniques and document same in the tenant file.

PHAs should establish reasonable time limits on the "age" of documentation sources. Generally, documentation that more than 60 days old from the interview date should be considered "untimely" and not acceptable. However, regardless of the relative "age" of any particular piece of documentation, the PHA must have reasonable confidence that the documentation is accurate prior to taking any action that relies on the accuracy of that documentation. Time limits obviously would not apply to verified circumstances that would not necessary change over time (date of birth, social security numbers, citizenship, etc.)

Verification and documentation of information is addressed throughout the RIM quality control review materials. In the tenant file sample review process, as the HUD reviewer examines each piece of information in the tenant file using the appropriate checklist, the reviewer is expected to assess the type and quality of the verification process and documentation used by the PHA. For any given piece of information, the HUD reviewer is asked to determine whether the information being reviewed is "properly verified and documented." In making this assessment, the reviewer should consider the following:

a. How does the information in the tenant file reflect the PHA's own policies and procedures for verification and documentation? Is there consistency between the actual verification/documentation you see in the tenant file and the PHA's own policies and procedures for verification?

b. Are there standard release forms used; standard letters sent to verification sources; standard forms used to record verified information? Are standard verification forms clear; gather the appropriate information; comprehensible to the verification sources?

c. Review the consent or waiver forms signed by the applicants and tenant families. The forms should include all of the various methods that are presently used or anticipated to be used to verify income. Does the PHA explain and provide to residents/applicants completed copies of all documents they are required to sign?

d. Does documentation of similar information vary widely and inconsistently from one tenant file to another, possibly reflecting different approaches or procedures used by different occupancy specialists?

e. Do tenant files reflect regular use and consistent use of the EIV system as part of the re-examination process? Does the PHA adhere to HUD guidelines for projecting anticipated annual income when UIV data is available – particularly, the section on handling substantial differences between tenant-reported and UIV-reported income? Is third party written verification in the tenant file as necessary? Do the tenant files show that the PHA consistently uses some lesser for of verification method that may reflect a systemic weakness in the PHA's verification processes? Are there pieces of documentation missing?

f. Is there clear agreement between the file documentation and the actual decisions and determinations made by the PHA? Is the PHA comparing tenant-reported income to UIV=reported income? Is the PHA actually using the documented information they receive? Is the PHA misinterpreting specific types of documentation? The study found that failure to use verified income and expense amounts was highly correlated with rent determination error, and that there is significant room for improvement in actually using the verifications that are obtained, which are often collected consistent with procedures but then filed and never used. For example, in the area of income documentation and computation, does the PHA compute income and deductions based on one set of specific dollar amounts and rates, while the actual documentation indicates that different dollar amounts or rates should have been used? Where there is no clear agreement, does the PHA offer any explanation for the discrepancy or any clarification of how the documented information was used in the calculation?

Beyond specific tenant files, the HUD reviewer should examine PHA processes for verification and documentation, again as part of the overall PHA management of the occupancy function. PHAs should implement and utilize HUD's EIV system in the PHA's day-to-day operations PHAs should explore as many third-party verification resources in their state and local community as possible. This includes technological and electronic availability of information, computer-matching, etc.

A critical issue to consider in RIM reviews is the extent to which the PHA has implemented *up-front* techniques for tenant income verification. The study found that, even when applicant and tenant interviews are thoroughly conducted, families may not disclose all sources of income. The use of *up-front* techniques should greatly reduce the error rate in applicant/tenant income reporting, verification of information by PHAs, rent calculations, and can be an effective tool for detecting unreported sources of income and assets. PHAs that use *up-front* verification techniques make it a practice to notify applicants and tenants that this method will be used to clarify or recheck reported applicant/tenant income and to identify potential discrepancies. This step is critical to reduction in applicant/tenant fraud.

a. **Enterprise Income Verification (EIV) System:** EIV matches wages, unemployment benefits and Social Security (SS) and Supplemental Security Income (SSI) to comparable tenant data reported in the PIC and TRACS databases. HUD provides Internet-based access to the aforementioned income information. On a quarterly and monthly basis, HUD extracts tenant data from PIC and TRACS for all families and obtains and updates income information in EIV. This computer matching effort provides a quick and easy validation and verification of tenant reported income information. Additional information on the EIV system can be found at: http://www.hud.gov/offices/pih/programs/ph/rhiip/uiv.cfm.

b. **Tenant Assessment Subsystem (TASS):** TASS matches Social Security (SS) and Supplemental Security Income (SSI) to comparable tenant data from MTCS and TRACS databases. HUD provides Internet-based access to SS and SSI benefit information. Each month, HUD extracts tenant data from MTCS and TRACS for families with initial examinations or reexaminations completed 8 to 9 months prior to the current month (i.e., for families who will be reexamined in 3 to 4 months). The SS and SSI reports are placed on the Internet on or about the 15th to the 20th of each month. This matching effort provides quick and easy verification of SS and SSI benefits, and provides information on individuals who have unreported or underreported SS or SSI benefits. Further information can be found at http://www.hud.gov/reac/products/tass/tass_guide_ssi.html. TASS and its functionality will be rolled into the EIV system and no longer be available by fiscal year end 2006.

c. **Credit Bureau Association (CBA) Credit Reports:** The CBA Credit Profile is derived from the Experian consumer credit database. The credit profile contains public record information, credit relationships, inquiries, and demographic information. CBA also provides subscribers with a list of names and addresses associated with a social security number. The service automatically verifies if the input social

security number is valid and has been issued. PHAs can use reports from the CBA as a way of screening applicants to determine their credit history and ability to pay their rent. See www.CBAinfo.com for more information on credit reports.

d. **The Work Number:** The Work Number is an automated service that provides controlled access to a national database of almost 40 million employment and income records. When an applicant applies for aid and lists a current or previous employer, the State or Federal agency can have automated access to that information, provided the employer's records are part of The Work Number. The Work Number can help eliminate the need for PHA employees to process multi-page verification forms, while providing quick and accurate employment and wage information. Once signed on with the service, PHAs can perform wage and employment verifications with The Work Number by calling a toll-free phone line (**call 1-800-996-7566** for specific instructions) or by using the Internet at www.theworknumber.com. The Work Number will provide the information to public agencies free of charge, but the turn around time is not as quick as using the fee-for-service method.

e. **Internal Revenue Service (IRS) Form 4506-T:** This IRS form may be used by a PHA to request a tenant's tax return transcript. The transcript shows most line items contained on the return as it was originally filed, including any accompanying forms and schedules. Tax return transcripts are generally available for the current and past three years. If a statement of the tenant's tax account, which shows changes that the tenant or IRS made after the original return was filed, you must request a "Tax Account Transcript." This transcript shows basic data including marital status, type of return filed, adjusted gross income, taxable income, payments and adjustments made on the tenant's account. There is no charge for the transcripts and should be received within 10 business days from the time the IRS receives the request.   See   http://www.irs.gov/faqs/faq1-6.html for more information.

f. **Internal Revenue Service (IRS) Form 4506:** This IRS form may be used by a PHA to request a tenant's exact copy of a previously filed and processed return and all attachments (including Forms W-2). Copies are generally available for returns filed in the current and past 6 years. There is a $39 fee for each tax year requested. See   http://www.irs.gov/faqs/faq1-6.html for more information.

g. **Social Security Administration (SSA) Form 7004:** This SSA form may be used by a PHA to request a tenant's Social Security Statement. The statement provides a record of the tenant's Social Security earnings history, year-by-year and provides an estimate of benefit payments that the tenant and the tenant's family may qualify for now or in the future. See   http://www.ssa.gov/mystatement for more information

3. **Consistency between HUD-50058/MTCS Data and PHA On-site Records**

Review of HUD-50058 data is an important factor in ongoing HUD monitoring of PHA performance. Such data is also critical to the income and rent quality control review process.

- HUD-50058 data is used in pre-review, in-office preparation for an income and rent quality control review, to identify aggregate income and rent issues for the PHA. The data is also used to help identify and select specific tenant files to be included in the on-site review. The HUD reviewer is also instructed to "pull" HUD-50058 data from MTCS for each tenant family included in the file review sample, and to use that data to cross check with the tenant file source documentation.

- On-site, information gathered through tenant file reviews should be in complete and total agreement with the HUD-50058 data submitted for that family. For each tenant family in the file sample, the HUD reviewer should compare tenant file information with HUD-50058 records for the family to ensure consistency.

The HUD reviewer is also asked to examine the PHA's processes for gathering and submitting HUD-50058 data, to ensure the accuracy and integrity of the process. This includes a review of the PHA's reporting rate, as well as internal quality control procedures implemented by the PHA.

As noted in the **Quality Control for Rental Assistance Subsidies Determinations** study, the HUD MTCS data system checks the rent calculations on form 50058. For tenants for whom data are submitted (and corrected when necessary), the system would virtually eliminate rent determination calculation errors for the items listed on the forms. However, as the study notes, not all tenant information is submitted to MTCS and some incorrect information returned to PHAs are not corrected.

B. Pre-Review Preparation

Prior to the on-site visit, the HUD reviewer should research information available in the HUD office. This in-office information is used to gain a better understanding of the income and rent process at the PHA and to help focus the on-site monitoring effort. Pre-review, in-office information can also save valuable on-site review time.

Part V. includes guidance on pre-review preparation, both for public housing and for HCV, listing the major sources of PHA income and rent information available to HUD staff in the HUD office. **Part V.** is structured as a checklist and may be used to record and document activities undertaken to prepare for the on-site income and rent review and to note any issues for follow-up and review while on-site. Key pre-review preparation activities include:

1. **In-office Resources** – Review of a few key resources available in the HUD office, including:
   a. PHA Annual Plan
   b. PHA policies (if available)
      - Admissions and Occupancy Policies for public housing;
      - Administrative Plan for Section 8 vouchers
   c. Prior reviews and audits, including HUD reviews, IPA audits, IG audits, etc.
   d. General HUD office files, with information on tenant complaints, specific questions raised by PHA staff and technical assistance provided, etc.

2. **PIH Information Center (PIC) / Multifamily Tenant Characteristics System (MTCS)** – Review of income and rent information found the MTCS module in PIC. The HUD reviewer should examine MTCS reports for the PHA to identify specific income and rent-related issues, particularly income and rent discrepancies. Where discrepancies are noted, specific tenant families should be identified as candidates for the on-site tenant file sample review.

3. **Reference Materials** – A number of reference materials that the HUD reviewer should gather prior to the on-site review. These materials include current income limit schedules, fair market rent schedules, and relevant HUD regulations, notices and guidebooks. The HUD reviewer should have these materials "on-hand" during the on-site portion of the review.

4. **Preparing for the Tenant File Sample Review** – Activities which the HUD reviewer should complete in-office, prior to the on-site review, to prepare for the tenant file sample review on-site. The emphasis is on using the **Ad Hoc** module under PIC, to the extent possible, to pull targeted lists of tenant families (based on MTCS data). These lists can be used to identify the actual tenant file sample to review while on-site. In addition, HUD-50058 data should be pulled for selected tenant families and used as a cross-check of information found on-site in the tenant files.

5. **Exceeds Threshold Report from the EIV System** - The HUD reviewer should obtain this report from the EIV system. The report should be generated using a threshold of 100%. If the PHA does not require interim increase re-examinations of income, the reviewer should focus on the actual annual income discrepancies. If the PHA requires interim increases re-examinations of income, the reviewer should focus on the annualized last quarter annual income discrepancy. Does the Exceeds Threshold report reflect an unusually high percentage of discrepant families? Does the PHA use this report on a periodic basis to capture tenant under reporting/unreported income? In addition to the selected sample size, the reviewer should pull the first 5 families with the largest annual income discrepancy (use actual discrepancy for PHAs without an interim increase policy and annualized last quarter discrepancy for PHAs with an interim increase policy, per program type – Housing Choice Voucher and Public Housing). You will need to resort the data in the report by annualized last quarter column.

C. On-Site Monitoring Activities

On-site at the PHA, the HUD reviewer will conduct several activities designed to gather PHA income and rent information, identify income and rent errors, assess PHA policies and procedures and to analyze income and rent errors to establish root causes and corrective actions necessary.

Part VI. is designed to aid the HUD reviewer in conducting the on-site portion of the RIM quality control review.

1. Tenant File Sample Review

The key on-site activity is the review of a sample of tenant files. The actual tenant file records to be selected and reviewed during the on-site review should have been identified during pre-review preparation. However, the ability to select the tenant file sample prior to the on-site visit will depend on the accuracy and reliability of PIC/MTCS information for the PHA. Where PIC/MTCS information is inadequate, the HUD reviewer may be unable to select the entire file sample at the HUD office via PIC/MTCS. In this case, the HUD reviewer may need to request lists of tenants from the PHA in order to select the sample prior to the on-site visit.

Once on-site, the HUD reviewer may find that additional file samples, beyond the regular sample of current tenant files, are necessary to get a complete picture of PHA income and rent determinations. Additional files could include current applicant files, rejected applicant files, terminated tenant files, tenant files where the PHA has taken lease enforcement actions related to income and rent, among others.

To aid the HUD reviewer in reviewing tenant files, three tools have been developed. All are found as Appendices to the RIM Guide:

a. Appendix A: Tenant File Review Checklist – PH/HCV

The checklist is designed to guide the HUD reviewer through a review of a public housing or Section 8 HCV tenant file and to document the results of the review. The checklist also includes space to record discrepancies (if any) between PHA-determined amounts and HUD-calculated amounts.

b. Appendix B: Tenant File Review Checklist Instructions

The checklist instructions serve as a reference to assist the HUD reviewer in understanding each piece of information included in the tenant file review as well as the determinations and conclusions to be made when examining the information. The instructions offer a detailed, line-by-line reference for use with the checklist, organized to correspond with the format of the checklist. For each line of the checklist, guidance is offered on the type of information to look for in the file, issues to consider, determinations to make, etc.

c. Appendix C: Tenant File Review Checklist Worksheets

Where tenant file income and rent calculations are confusing or unclear, use the actual HUD-50058 for the family as the first option for clarification. Where the HUD-50058 is unavailable, the reviewer may use a blank copy of the HUD-50058, or may use **Appendix C: RIM Tenant File Review Checklist Worksheets** to manually calculate and cross-check various aspects of income and rent, based on the file documentation. Worksheets are organized to correspond to the checklist section titles.

The tenant file sample should be reviewed early in the on-site review process, because the file review results will be combined with information gathered from other monitoring activities as part of an overall, PHA-wide analysis of income and rent determinations. The tenant file review results are the key pieces of evidence upon which many of the review conclusions will be based.

While the tenant file sample review is the key on-site information-gathering activity, the file sample offers only a snapshot of PHA actions relative to a small number of tenants. There are many other aspects of the PHA's operations, policies and procedures that the HUD reviewer must examine and analyze in order to get a complete picture of PHA income and rent determinations. The remainder of **Part VI.** offers several approaches and strategies for monitoring income and rent issues at a PHA.

2. **On-site Monitoring Topics**

The remainder of **Part VI.** identifies PHA responsibilities related to income and rent determinations and groups them into nine different topics or categories.

- Admissions and Occupancy Policies Review – Public Housing only

- Administrative Plan Review – Section 8 HCV only

- Payment Standards

- Accepting and Processing Applications

- Income

- Rent – Public Housing only

- Rent and HAP – Section 8 HCV only

- Reexaminations

- HUD-50058 and MTCS

Each of the sections may be used as a separate checklist to record and document the activities undertaken for review of that topic. Within each section, on-site monitoring activities include both **monitoring actions** for the HUD reviewer to do on-site, and **monitoring questions** for the HUD reviewer to answer regarding PHA income and rent performance and compliance. The questions represent basic, fundamental PHA activities required in order to fulfill income and rent responsibilities in that particular topic area. The questions are structured as "Yes / No / Unclear" questions. The aim is for the HUD reviewer to be able to reach a conclusion that the PHA is or is not fulfilling its responsibilities, performing at an acceptable level and complying with applicable HUD requirements.

Ultimately, the aim of a RIM review is to determine whether a PHA is or is not managing the income and rent function effectively, efficiently and in compliance with applicable federal requirements. Where PHA performance is deficient, the review should identify the areas of deficiency, underlying causes for deficient performance, and corrective actions needed to improve performance. This requires the HUD reviewer to gather information from a variety of sources, analyze the information and, using the information and analysis as supporting evidence, draw broader, overall conclusions about PHA performance.

Given the relatively limited nature of a RIM income and rent review, it may be difficult to reach a definitive "Yes / No" conclusion in any particular area of monitoring without a number of caveats and exceptions. This is an inescapable fact of any monitoring effort. Clearly, the professional judgment of the HUD reviewer is critical when reaching these conclusions. Thorough documentation of the monitoring effort, records of interviews, work-papers, etc., are crucial. **Part VI.** can help structure the reviewers' monitoring efforts and help provide documentation of the basis for monitoring conclusions on income and rent.

3. **Recording Income and Rent Findings and Errors**

    Using the results of the tenant file sample review, the HUD reviewer should record specific tenant file errors on the **Tenant File Error Report**, found as a spreadsheet in **Appendix D-1.** The error report should capture differences between the *PHA's* determinations of income and rent, and the *HUD reviewer's* determinations of income and rent, for each tenant file reviewed. Where differences were found between key PHA income and rent figures and HUD review figures, the HUD reviewer should record these differences on the error report, including (where possible) the actual dollar amount of the rent discrepancy, either underpayment or overpayment.

    A completed copy of the error reports should be transmitted to the PHA as a part of the review report issued at the conclusion of the review.

    Using the results of the on-site monitoring activities and any conclusions made based on review and analysis of the on-site information, the HUD reviewer should also develop any general findings on PHA income and rent performance.

    Findings should be distinguished from the specific errors noted in the tenant file sample review. Tenant file errors may be isolated and apply only to specific files reviewed. However, tenant file errors may also indicate a *pattern* of deficient PHA performance in one or more areas of income and rent determination. This pattern of errors may rise to the level of a finding, or findings, if the pattern indicates a systemic problem at the PHA. Use of **Part VI.** will aid the HUD reviewer in looking for patterns of errors and drawing broader conclusions about PHA performance, based on the evidence seen in the tenant file sample.

    The HUD reviewer should record any findings on the **PHA Review Summary Report**, also found as a spreadsheet in **Appendix D-2**. The summary report should organize the presentation of a finding – describe the finding and discuss the basis for the finding, background on the finding, possible underlying causes, etc. The summary report should also outline actions and strategies for correcting the finding, as well as target date(s) for completion. Depending on the nature of the finding, corrective actions could be simple or could involve several steps.

    A completed copy of the summary report should be transmitted to the PHA as a part of the review report issued at the conclusion of the review.

    Instructions for completion of the **Tenant File Error Report** and the **PHA Review Summary Report** are found as **Appendix D.** to this RIM Guide.

4. **Follow-up and Resolution of Income and Rent Discrepancies**

    The HUD reviewer should use the Exceeds Threshold Report from the EIV system to identify discrepant families that remain discrepant nine months after the date of transmission into PIC. The reviewer should follow up with the PHA to ensure the PHA's effective use of the EIV system and the Exceeds Threshold report. The PHA's use of EIV and the Exceeds Threshold report will result in more accurate income and rent determinations by the PHA determining whether or not income discrepancies are valid or invalid.

D.   Post Review Activities and Follow-up

At the conclusion of the income and rent QC review, the HUD reviewer(s) should issue a final report to the PHA. The report should generally follow the format outlined in HUD Handbook 7460.07, REV-2, <u>Field Office Monitoring of Public Housing Agencies (PHAs)</u>. The HUD reviewer(s) should also follow-up on the results of the review, ensuring that income and rent findings as well as specific tenant file income and rent errors are corrected.

1.   Preparing and Issuing a Report

The purpose of the final report is to present the HUD reviewer(s) final conclusions and determinations about PHA income and rent performance, any income and rent performance problems or issues, causes of these problems and corrective actions necessary to resolve income and rent problems. Because the final report may document the existence of PHA performance problems, as well as HUD's requirements for improvement, it is important that the findings, causes, corrective actions, errors noted, etc., be clear, persuasive and well documented.

HUD reviewer(s) should discuss findings and analysis during preparation of the report. In the preparation of the report, the views of the PHA should be accurately presented, particularly where there are disagreements. PHA views should be considered when arriving at corrective actions necessary and recommendations for improvement. It is more likely that corrective actions will be taken if the PHA and HUD recognize differences and do not adopt adversarial or unreasonable positions.

The final report should:

a.   Acknowledge PHA cooperation and assistance during the review

b.   Identify the scope of the income and rent QC review, specific issues covered and the limited nature of the review

c.   Identify any strengths of the PHA's income and rent determination processes

d.   Present and thoroughly document income and rent findings and errors noted, including identifying underlying causes (where possible) and specific corrective actions necessary to improve PHA performance. This should also include establishment of timeframes for PHA actions and PHA response to the report (generally, 45 days after the date of the report).

e.   Offer any additional observations or recommendations for improving performance.

f.   Include completed copies of the **Tenant File Error Report** and the **Monitoring Review Summary Report** (found as spreadsheets in **Appendix D**).

The final report should be completed and transmitted, by the Field Office Public Housing Director, to the PHA as quickly as possible after the on-site review. As a rule, reports should be transmitted to the PHA not later than 30 calendar days after the conclusion of the review. The report should be accompanied by a transmittal letter to the PHA Board of Commissioners that provides a context for the report and HUD expectations for PHA resolution of the issues contained in the report.

2. **Follow-up and Resolution of Income and Rent Discrepancies**

The HUD field office should monitor the PHA's progress in resolving the income and rent findings from the report, and correcting specific income and rent tenant file errors identified in the report. Progress should be tracked and reported via quarterly updates of the error tracking reports.

Follow-up and resolution is an exercise in tracking PHA responses to the report issues, PHA progress in resolving the discrepancies, analyzing any PHA difficulties in addressing the issues, and taking appropriate actions to keep the PHA on track, including providing technical assistance as needed.

In addition to specific PHA responses to the report, the HUD field office should make use of any in-office resources to assess PHA progress. In-office resources are discussed under **Part V. Pre-review Guide**. They include information found in the PHA Annual Plan; any other reviews or audits conducted at the PHA, including HUD reviews, IPA audits, IG audits, etc.; and any additional information coming in to the HUD office, including tenant complaints and technical assistance provided to PHA staff.

In particular, the HUD field office should make use of information found PIC/MTCS reports to track PHA progress (PIC/MTCS reports were also discussed under **Part V.**), depending upon the specific income and rent issues. The Ad Hoc module under PIC could also be used to pull targeted lists of tenant families (based on MTCS data), to double-check PHA calculations and corrective actions, again depending on the specific income and rent issues. The Ad Hoc module could also be used to check corrective actions on the specific tenant files identified in the tenant file error summary documents, based on errors uncovered during the tenant file sample review.

Where the PHA does not appear to be resolving the income and rent issues identified in the report and taking the necessary corrective actions, the HUD field office should determine the reasons for PHA failure and take appropriate actions. This could include an increased level of technical assistance provided, or adopting new strategies for ensuring that the PHA receives the assistance it needs (partnering with other PHAs, contracting for needed training, etc.). Depending on resources available, the HUD field office may also find it useful to conduct follow-up visits to the PHA, either as part of a technical assistance effort or to conduct an additional review, in order to ensure PHA progress.

Part V.   Pre-review Guide

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

A.   In-Office Resources

[ ]   ***PHA Annual Plan:***

Identify public housing income and rent issues and information in PHA Annual Plan, including following sections (where information is available). Note issues below.

Section 1.C.

Does the PHA propose any strategies for addressing housing needs that involve specific income or rent policies (e.g., rent policies designed to support and encourage work for public housing; establishing payment standards to enable families to rent throughout jurisdiction for HCV)?

Section 4.A.

Review information related to public housing income-based rent policies, discretionary income deductions, ceiling rents, minimum rents, flat rents, interim reporting requirements, etc.

Section 4.B.

Review information related to HCV payment standards and minimum rent policies, etc.

PHA Plan Issues related to Income and Rent:

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

A. In-Office Resources (continued)

[ ] *Public Housing Admissions and Occupancy (A&O) Policies:*

Search HUD files for current copy of PHA A&O policies. PHA may, but is not required to, submit copy of current A&O policies with the PHA Plan. A&O policies may include rent determination policies and schedule of flat rents. If available, review A&O policies in-office for compliance, accuracy, clarity and consistency. Otherwise, review A&O policies on-site at PHA.

Search HUD files for any other PH income and rent policy documents submitted by PHA. If available, review policies in-office for compliance, accuracy, clarity and consistency

____   Admissions and Occupancy Policies   Date: _____

____   PH Rent Determination Policies *   Date: _____   * may be in A&O Policies

____   PH Schedule of Flat Rents *   Date: _____   * may be in A&O Policies

____   Other Policies   Date: _____

A&O Policy Issues related to Income and Rent:

[ ] *Section 8 HCV Administrative Plan (Admin Plan):*

Search HUD files for current copy of HCV Admin Plan. PHA may, but is not required to, submit copy of current Admin Plan with the PHA Plan. Admin Plan may include PHA payment standard schedule. If available, review Admin Plan in-office for compliance, accuracy, clarity and consistency. Otherwise, review Admin Plan on-site at PHA.

Search HUD files for any other Section 8 HCV income and rent policy documents submitted by PHA. If available, review policies in-office for compliance, accuracy, clarity and consistency

____   Administrative Plan   Date: _____

____   Section 8 Payment Standard Policies *   Date: _____   * may be in Admin Plan

____   Other Policies   Date: _____

Administrative Plan Issues related to Income and Rent:

PHA: [   ] **HUD Reviewer:** [   ] **Date:** [   ]

A. In-Office Resources (continued)

☐ ***Prior Reviews and Audits:***

Search HUD files for prior reviews and audits at PHA – local HUD field office reviews, IPA, OIG, GAO, etc. Identify any findings, recommendations, issues and other information related to income and rent determinations, accepting and processing applications, verification and documentation, etc.

Prior Reviews and Audits Issues related to Income and Rent:

☐ ***General HUD Office Files:***

Search HUD files for any additional correspondence or records of public housing or Section 8 HCV income and rent determination issues at this PHA. This could include tenant complaints, specific questions raised by PHA staff and technical assistance provided, etc.

General HUD Office Files Issues:

PHA:		HUD Reviewer:		Date:	

B. PIC / MTCS

MTCS and MTCS-based reports offer a tremendous amount of information directly relevant to public housing and Section 8 HCV income and rent issues. It is critical that the information in MTCS be consistent with the original source documentation on file at the PHA. The on-site RIM quality control review should use MTCS information as a centerpiece for monitoring efforts. Access MTCS data through the PIC on HUDWeb: **http://hudweb.hud.gov/po/p/systems/pic/index.htm**

☐ Determine PHA reporting rates: Public Housing: [**%**]   Section 8 HCV: [**%**]

> Reporting rate can be determined from the **Delinquency Report** (see **Reports** below). Where the PHA reporting rate is deficient, use the **Submission** option under the MTCS PIC module to research the status of PHA submissions of HUD-50058 data

☐ Use the **Reports** option under the MTCS PIC module to gather general information on the PHA's public housing and Section 8 HCV programs and characteristics of the tenant body. Examine the reports for potential compliance problems and patterns or categories of income and rent errors.

> **Resident Characteristics Report:** provides aggregate demographic and income information on PHA residents, available on a PHA level and a project level (public housing only).
>
> Key pieces of information include reporting rate; income distribution by income level, income range, income source; distribution by amount of TTP; distribution by family type, by race, by age, by household size, by number of bedrooms, by length of stay, etc.
>
> **Key Management Indicators Report:** summarizes information on the volume of PHA activity and identifies possible discrepancies, available on a PHA level and on a project level (public housing only).
>
> Key pieces of information include distribution of families by recent admissions, reexaminations, move-outs, etc.; number and percent of families with rent discrepancies, including distribution by amount of discrepancy; percent and amounts of overpayments and underpayments; other types of discrepancies (over-income, under and over-housed, late reexams, etc.); utility allowances; families subject to minimum TTP; average flat rents and ceiling rents (public housing only); gross rent as percent of FMR (HCV only); rent burden as percent of family income (HCV only); FSS families; families requesting accessibility; etc.
>
> **New Admissions Report:** a subset of the Resident Characteristics Report. Provides demographic and income information for households admitted in the last 12 months and includes information on average wait time by race, ethnicity, and household type.
>
> **Families Ending Participation Report:** a subset of the Resident Characteristics Report. Gives demographic and income information for families who ended participation (left assisted housing) in the last 12 months.
>
> **Delinquency Report:** provides PHA reporting rates for HUD-50058 submissions, available on a PHA level and on a project level (public housing only). This report allows a comparison of available and occupied units and the total number of unreported households.
>
> **Income Report:** summarizes information about the income of families who receive public housing and Section 8 HCV assistance; provides income distributions for all families, new admissions, and end of participations.

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

B. PIC / MTCS (continued)

____ **Late Reexamination Discrepancy Report:** provides a list of families for which the PHA did not submit a reexamination in the last 15 months; provides the projected date of next reexamination.

____ **Tenant Rent Calculation Discrepancy Report:** provides a list of families, the PHA reported rent, MTCS calculated rent, and the amount of over- or under-charge; reports all calculated rents that differ from reported rents by more than $10 as a discrepancy.

____ **Mobility and Portability Report (HCV only):** summarizes the number and percentage of families moving into or within the Sec. 8 HCV program, and number and percentage of families exercising portability.

____ **Rent and Rent Burden Report (HCV only):** summarizes gross rent as a percent of FMR, payment standard as percent of FMR, and "rent burden" (i.e., rent as a percent of Adjusted Income).

____ **Section 8 Management Assessment Program (SEMAP) Indicators Report (HCV only):** covers PHA performance in the specific SEMAP indicators that are measured through MTCS data.

____ **Budget Related Rent Averages Report (HCV only):** summarizes information on Sec. 8 HCV assisted units, critical for Sec. 8 budgeting – including number of units and average gross rent, average tenant rent, average assistance amount and average TTP by unit size.

____ **Deconcentration Analysis Report (HCV only):** summarizes information on number of families with children within the poverty rate, number of owners for families with children, number and percent of families receiving tenant-based and HUD-based assistance.

____ **Late HQS Inspection Discrepancy Report (HCV only):** provides a list of families for which the PHA did not submit a Housing Quality Standards (HQS) inspection in the last 15 months or within the projected next reexamination date.

__PIC / MTCS Issues related to Income and Rent:__

PHA: [ ]   **HUD Reviewer:** [ ]   **Date:** [ ]

C. EIV

EIV contains an Exceeds Threshold Report, which identifies households who may have potentially under reported annual wages, unemployment benefits and/or Social Security benefits. If the difference between PIC reported wages, unemployment benefits and/or Social Security benefits and EIV reported wages, unemployment benefits and/or Social Security benefits is equal to or greater than the selected percentage threshold and equal to or greater than $2,400 annually, the household is listed on the Exceeds Threshold report

☐ Determine PHA income discrepancy rates:

	Public Housing	Housing Choice Voucher
Selected Threshold Percentage	%	%
Households Evaluated		
Households that Exceed Threshold		%
% of Households Exceeding Threshold	%	%
Actual Annual Income Discrepancy	$	$
Annualized Las Qtr Data Annual Income Discrepancy	$	$

☐ Determine PHA's interim re-examination policy.

Does PHA have interim increase policy   YES ☐   NO ☐

☐ Identify the five largest income discrepancies for each program. List head of household SSN and Name.

Housing Choice Voucher Program

1.
2.
3.
4.
5.

PHA: [ ]   **HUD Reviewer:** [ ]   **Date:** [ ]

Public Housing Program

1.
2.
3.
4.
5.

D. Reference Materials

[ ] Obtain current **Income Limits** for PHA jurisdiction(s), available on HUD User at
http://www.huduser.org/datasets/il.html

[ ] Obtain current **Fair Market Rents** for PHA jurisdiction(s), available on HUD User at
http://www.huduser.org/datasets/fmr.html

[ ] Obtain latest edition of **HUD Regulations** at Title 24 of the CFR, available on the Government Printing Office
(GPO) Access page of the National Archives and Records Administration (NARA) at
http://www.access.gpo.gov/nara/cfr/cfr-table-search.html   Key Parts include:

_ 24 CFR Part 1	_ 24 CFR Part 882	_ 24 CFR Part 960	_ 24 CFR Part 984
_ 24 CFR Part 5	_ 24 CFR Part 902	_ 24 CFR Part 966	_ 24 CFR Part 985
_ 24 CFR Part 8	_ 24 CFR Part 903	_ 24 CFR Part 982	_ Other:
_ 24 CFR Part 108	_ 24 CFR Part 908	_ 24 CFR Part 983	_ Other:

[ ] Obtain **Federal Register** occupancy regulations published subsequent to latest edition of CFR Title 24,
available on the GPO Access page of NARA at **http://www.access.gpo.gov/su_docs/aces/aces140.html**

[ ] Obtain current **Handbooks & Notices** related to public housing and Section 8 HCV occupancy: available on
HUDClips at   **http://www.hudclips.org/subscriber/cgi/legis.cgi**

[ ] Obtain copy of **Notice PIH 2001-15 (HA): Improving Income Integrity in Public and Assisted Housing**,
available on HUDClips at   **http://www.hudclips.org/subscriber/cgi/legis.cgi**

[ ] Obtain current **Housing Choice Voucher** guidebook, available on HUD's PIH internet site at
http://www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm

Obtain current **Public Housing Occupancy Guidebook,** available on HUD's internet site at
http://www.hud.gov/offices/pih/programs/ph/rhiip/phguidebook.cfm

[ ]

Obtain current **OMB Circulars** related to occupancy: available the OMB Circular page of the White House website at **http://www.whitehouse.gov/omb/circulars/index.html**

Obtain a copy of **Notice PIH 2004-1(HA) Verification Guidance** available on HUD's PIH internet site at http://www.hud.gov/offices/pih/publications/notices/2004.cfm

☐ Other references/resources:

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

D. Preparing for the Tenant File Sample Review

Note: The following information is based on a file sample methodology that targets specific review criteria. HUD guidance in effect at the time of the actual RIM review may require a different sampling methodology (i.e., random sampling).

As much as possible, the HUD reviewer should try to select specific tenant families to include in the file sample prior to the on-site visit. However, the ability to select the tenant file sample prior to the on-site visit will depend on the accuracy and reliability of MTCS information for the PHA. Where MTCS information is inadequate, the HUD reviewer may need to request a listing of tenant families from the PHA, prior to the on-site visit. The HUD reviewer may also need to select all or a portion of the tenant file sample on-site.

1. Determine the number of tenant files to be reviewed in the general sample:

Public Housing tenant files: [   ]   Section 8 HCV tenant files: [   ]

There is no prescribed sample size. Following is a general guideline, based on the size of the PHA:

PHA Public Housing Program Size	Suggested Sample Size
50 units or less	10 files
51 units – 600 units	10 files, plus 1 file for each 50 units over 50 units
601 units – 2,000 units	21 files, plus 1 file for each 100 units over 600 units
over 2,000 units	35 files, plus 1 file for each 200 units over 2,000 units

In addition to the suggested sample size, the reviewer should also select the tenant files of 5 families, per program type, with the largest income discrepancy. (Use actual discrepancy for PHAs without an interim increase policy and annualized last quarter discrepancy for PHAs with an interim increase policy.)

2. Where possible, use the **Ad Hoc** module (a separate module under the **PIC**) to pull specific listings of public housing and/or Section 8 HCV tenant families. Tenant families may be filtered by various criteria and various listings produced, including but not limited to:

____ **New Admissions (PH and HCV)**	____ **Portability Move-in (HCV only)**
____ **Annual Reexaminations (PH and HCV)**	____ **Portability Move-out (HCV only)**
____ **Interim Reexaminations (PH and HCV)**	____ **Annual Reexamination Searching (HCV only)**
	____ **Issuance of Voucher (HCV only)**
____ **Flat Rent Annual Update (PH only)**	____ **Expiration of Voucher (HCV only)**
____ **Other:**	____ **Other:**

3. Where PIC/MTCS information is unavailable or inadequate to enable the HUD reviewer to select specific tenant families, the PHA could be requested to submit a complete listing of families in occupancy with the PHA (both public housing and Section 8 HCV, if appropriate), prior to the on-site visit. The tenant file listing should "flag", for each family, the specific targeted criteria the HUD reviewer intends to use to select the sample.

4. Using either the **Ad Hoc** tenant file listings, or tenant file listings provided by the PHA, identify specific tenant families to complete the tenant file sample. The tenant files selected for review should be a targeted sample, rather than a random sample. Following are issues to consider when selecting specific tenant files for review.

PHA:		HUD Reviewer:		Date:	

D. Preparing for the Tenant File Sample Review (continued)

a. Other resources examined during pre-review preparation may have indicated specific areas of income and rent determination of concern (prior review findings on income discrepancies, inadequate verification, incorrect calculations, tenant complaints, etc.). The tenant file sample should include families representative of these issues.

b. _____ Where available, use the **Rent Calculation Discrepancy** report and the **Late Reexamination Discrepancy** report from the **PIC/MTCS** module (discussed earlier). Any specific tenant families listed on these reports should include in the tenant file sample.

c. _____ **PIC/MTCS Reports** on *aggregate* PHA demographic and income information may have indicated potential compliance problems and patterns or categories of errors (eligibility, income and rent discrepancies, etc.) that should be addressed in a file sample. The tenant file sample should include families representative of these issues.

d. _____ The file sample should represent a broad representation of the resident body including as many different occupancy-related issues and situations as possible. This should include, but not limited to, families with the following circumstances:

- Elderly and/or disabled head of household or spouse
- Dependents
- Live-in aides
- Employment Income
- Public assistance and TANF
- Periodic benefit income

- Zero income
- Large amounts of assets
- Large expenses: Child care, Medical, Disability assistance, Education, etc.
- Welfare rents
- Minimum rents

- Ceiling rents (PH only)
- Flat rents (PH only)
- FSS participants
- All projects in the PHA's jurisdiction (PH only)
- All geographic areas of the PHA's jurisdiction
- All unit sizes

e. _____ If application acceptance and processing activities are non-centralized – taking place at more than one location within the PHA – the tenant file sample should include sufficient numbers of tenant files from all locations.

f. _____ As much as possible, the file sample should includes roughly equal numbers of two groups of tenant families:

- **Recent Admission** families are public housing families that have been admitted to the public housing program within the past 12 months, and Section 8 HCV-assisted families who have initially leased a unit under the HCV program within the past 12 months. If available, the Ad Hoc New Admissions report under PIC should provide information on this category of families.

- **Reexamination** families are tenant families (public housing or HCV-assisted) that have been participants for at least one year and have undergone at least one reexamination of family income and composition. Where available, the Ad Hoc Annual Reexaminations report under PIC will provide information on this category of families.

PHA: [   ]   HUD Reviewer: [   ]   Date: [   ]

D. Preparing for the Tenant File Sample Review (continued)

g. ____ Exceeds Threshold Report:

The HUD reviewer should obtain this report from the EIV system. The report should be generated using a threshold of 100%. In addition to the selected sample size, the reviewer should pull the first 5 families with the largest annual income discrepancy. If the PHA does not require interim increase re-examinations of income, the reviewer should focus on the actual annual income discrepancies. If the PHA requires interim increases re-examinations of income, the reviewer should focus on the annualized last quarter annual income discrepancy.

h. *Section 8 HCV only:* Because of the unique nature of the Section 8 HCV program, there are several categories of families that should be included in the tenant file sample review for the HCV program. The following circumstances may not apply to all PHAs who administer the Section 8 HCV program.

____ **Mover** families are Section 8 assisted families who have moved <u>within</u> the PHA's jurisdiction with continued assistance within the past 12 months. These families are unique in that, because their assistance is ongoing, the PHA should be conducting regular reexaminations of income and composition for the family. In this respect, **Mover** families are similar to **Reexamination** families. However, because they have recently moved to a new unit within the jurisdiction, the tenant file record should include evidence of voucher issuance, request for tenancy approval, initial HQS inspections, determination of unit and owner eligibility, etc. In this respect, **Mover** families are similar to **Recent Admission** families.

____ **Portability-In** families are Section 8 assisted families who have exercised portability to *move into* the PHA's jurisdiction within the last 12 months. These could be families where the PHA is acting as the Receiving PHA, administering assistance and billing the Initial PHA. Or, they could be families where the PHA has elected to "absorb" the family into their own Section 8 program. **Portability-In** families are similar to **Mover** families in that they are not selected from the waiting list but will have recently gone through the process of voucher issuance and lease-up. However, in some cases, **Portability-In** families are also similar to **Recent Admission** families in that the PHA must establish eligibility for certain Portability-In families, prior to providing assistance.

____ PHAs may, based on local policy, permit participating households to use HCV assistance in "specialized" housing types. These "specialized" types of housing include, but are not limited to:

- Single Room Occupancy (SRO) housing
- Congregate housing
- Group Homes
- Shared Housing
- Cooperative housing
- Manufactured Home Space Rental

____ PHAs may have received HCV funding targeted to special categories of families to be selected from the PHA's waiting list. These categories of HCV assistance include, but are not limited to:

- Family Unification Program
- Welfare-to Work Program
- Mainstream Housing Opportunities for Persons with Disabilities

____

PHAs may have received HCV funding targeted to categories of families living in certain types of housing and <u>not</u> to be selected from the PHA's waiting list (i.e., "special" admissions). These categories of HCV assistance include, but are not limited to:

- Public Housing Demolition / Disposition / Vacancy Consolidation Vouchers
- Mainstream Housing – Elderly Designation (Rental Assistance for Non-elderly Persons with Disabilities in support of P.H. Designated Housing Plans) Vouchers
- Moderate Rehabilitation Contract Expiration Vouchers
- Project-based Housing Assisted Housing Conversion Vouchers, including Project-based Opt-outs, Pre-payment of HUD-insured Mortgage, HUD Enforcement Actions, HUD Property Disposition

PHA: [ ]   HUD Reviewer: [ ]   Date: [ ]

D. Preparing for the Tenant File Sample Review (continued)

5. Use the table found on the following page to record the specific tenant files selected for the on-site file sample review. The table captures only basic information about each tenant family selected. An in-depth review of file information for each tenant family will occur during the on-site file sample review.

Use multiple copies of the table, if necessary. In order to keep the file sample organized and to ensure that the sample includes a broad representation of the tenant body, the reviewer may wish to develop separate listings of selected tenant files, based on various criteria.

- Separate listings for **public housing** tenant files and **Section 8 HCV** tenant files.

- For **public housing** tenant files, the reviewer may wish to develop separate listings based on development where the family lives, geographic location of the unit, unit size, family type (general-occupancy, elderly/disabled) or some other logical grouping of files

- For **Section 8 HCV** tenant files, the reviewer may wish to develop separate listings based on geographic location of the unit, unit size, family type (general-occupancy, elderly/disabled), special housing type, targeted vouchers, or some other logical grouping of files.

The reviewer may wish to provide the PHA with a listing of selected tenant families, prior to the visit, as a part of the pre-review preparation activities.

6. Once you've identified the specific tenant families to include in the file sample, use the **Viewer** option under the **PIC/MTCS** module to pull the actual, detailed HUD-50058 information on <u>each</u> family identified (where the HUD-50058 is available).

This information will be critical for on-site comparison with the actual source documentation in the tenant family's file.

PHA: [   ]   HUD Reviewer: [   ]   Date: [   ]

D. Preparing for the Tenant File Sample Review (continued)

√	Tenant Family	SSN	PH or HCV	Unit BR Size	New Admission or Reexamination	Comments

Part VI.   On-site Monitoring Guide

PHA: [   ]   HUD Reviewer: [   ]   Date: [   ]

A.   Tenant File Sample Review

1.   Obtain the actual tenant file records selected for the file sample review. Specific tenant families were identified and listed on the table(s) in **Part V. Pre-review Guide**.

a.   Where PHA was provided with a listing of selected tenant families prior to the visit, files should have been pulled by the PHA and be readily available for review.

- Double-check the actual tenant files provided by the PHA with the listing(s) of tenant families selected prior to the review to ensure that all files are available and determine the reasons why certain files (if any) may not have been provided.

b.   Where the PHA was not provided with a listing of selected tenant families prior to the visit, the HUD reviewer(s) will need to manually pull these files.

- Discuss the PHA's tenant file system with PHA staff, to become familiar with how tenant files are organized. Ensure that you are able to locate all selected tenant files and determine the reasons why certain files (if any) may not be available.

c.   Where MTCS information is inadequate, the HUD reviewer may need to select all or a portion of the file sample on-site, or may need to "fill out" the sample with additional families selected on-site.

- When selecting tenant file sample(s) on-site, refer back to **Part V. Pre-review Guide**.for guidance on sample size, file selection, ensuring a broad representation of tenant families, etc.

d.   Where tenant files have been selected or added while on-site, ensure that these tenant families are recorded on the table(s) developed under **Part V. Pre-review Guide**.

- Listings of all tenant files actually reviewed should be maintained as part of the on-site record

e.   Where tenant files have been selected or added while on-site, the reviewer should attempt to secure a copy of the HUD-50058 Family Report for each tenant family.

- The PHA may be able to generate the HUD-50058 for the family from its own data systems. The PHA may also maintain a copy of the HUD-50058 in the tenant family's file.

f.   During the course of the review, the HUD reviewer may find that specific issues or concerns arise (e.g., eligibility determinations, specific categories of income determinations, specific types of deductions, etc.) where a focused review of a targeted sample of families would be useful. The HUD reviewer should feel free to adjust the tenant file sample, or add additional files, to meet the needs of the review.

- Again, added tenant files should be recorded on the file sample listing(s), to ensure the accuracy of the on-site record of the actual tenant files reviewed.

PHA: [   ] **HUD Reviewer:** [   ] **Date:** [   ]

A. Tenant File Sample Review (continued)

2. Examine each tenant file in the sample for PHA determinations of income and rent, as well as other PHA determinations that impact on income and rent. The results of the tenant file sample review will be used as supporting evidence in all areas of the RIM income and rent review.

    a. Use **Appendix A: RIM Tenant File Review Checklist – PH/HCV** to record and document the results of each tenant file review.

- The purpose of the tenant file review is to assess whether PHA determinations of income and rent are accurate, thorough and clear. The checklist guides the HUD reviewer through the key income and rent determinations that must be made, as well as serving as *documentation* of the HUD review of the tenant file. The HUD reviewer is expected to answer all of the questions on the checklist, appropriate to the specific tenant family.

    b. Use **Appendix B: Tenant File Review Checklist Instructions** as an aid in completing the checklist and understanding and answering the appropriate questions.

- The instructions are designed to "walk" the reviewer through each of the questions and topics on the checklist, line by line. Where appropriate, the instructions offer an explanation of the specific program requirement(s) addressed by the checklist.

    c. Where the HUD reviewer has a completed **HUD-50058** on-hand for the tenant family, the HUD-50058 data should be used as the first source of reference for comparison with the tenant file contents and double-checking PHA calculations with tenant file documentation.

    d. Use **Appendix C: Tenant File Review Checklist Worksheets** as an aid in manually calculating different aspects of income and rent, and in understanding the how these calculations are made.

- It is not necessary that the HUD reviewer manually recalculate income and rent for every tenant file reviewed.

- Where the tenant file is well organized, accurate, thorough and clear, and the HUD reviewer has a completed HUD-50058 on-hand for comparison, the reviewer may find it unnecessary to recalculate any income and rent figures in the file. On the other hand, where the tenant file is poorly organized and PHA calculations and determinations are unclear, the reviewer may find it necessary to use any or all of the worksheets to record and calculate aspects of income and rent. The worksheets provide the reviewer with the flexibility to recalculate and double-check as much or as little of the income and rent information as necessary to establish the accuracy of PHA determinations.

    e. The HUD reviewer should note any specific errors or discrepancies uncovered in the file, as well as circumstances where file documentation was insufficient to reach a conclusion.

- For specific errors, note (if possible) the dollar amount differences between PHA-calculated figures and HUD-calculated figures.

- The HUD reviewer should also be alert to any patterns of errors indicating systemic PHA problems in income and rent determination.

PHA:		HUD Reviewer:		Date:	

B.   UIV Implementation Review

The HUD reviewer will assess the PHA's implementation of HUD-provided UIV tools. The purpose of HUD's Upfront Income Verification (UIV) implementation review is to ensure that the PHA has (1) implemented the use of HUD-provided UIV systems (EIV and/or TASS); (2) implemented and documented practices, controls and safeguards to adequately protect the confidentiality of participant income data; and (3) taken the appropriate corrective action to eliminate subsidy payment errors and tenant errors attributable to income discrepancies as identified by HUD-provided UIV systems.

A.   PHA's IMPLEMENTED UIV SYSTEMS

Questions	Yes	No
Does the PHA use HUD-provided UIV tools? If yes, please list that tools the PHA has implemented. • •		
Does the PHA use UIV tools that are not provided by HUD? If yes, please list the tools that the PHA has implemented. • •		

B.   PHA SECURITY ASSESSMENT

Requirements: Field Office staff should review the PHA's (1) security policies and procedures; (2) TASS and/or EIV user reports; (3) security and system access files; and any other documents that will provide answers to the questions below. Field Office staff may also want to conduct an interview with the Executive Director, Security Officer, and/or other designated staff persons that have knowledge of the PHAs security procedures and policies and are able to respond to the questions below.

Questions	Yes	No
Does the PHA have a designated Security Officer or equivalent?		
Does the PHA have a current Security Policies and Procedures document?		
Does the PHA enforce security procedures? Explain		
Does the PHA keep records and monitor security issues?		
Does the PHA conduct and document annual Security Awareness Training for UIV system users?		
Does the PHA maintain a record of all UIV system users and their assigned roles?		
Does the PHA ensure that each user has and uses his/her own user ID and password?		
Does the PHA maintain copies of signed and current access authorization and user agreement forms for all UIV system users?		
Does the PHA conduct a quarterly review of all User IDs to determine if users still have a valid need to access UIV data?		
Does the PHA maintain a key control log to track the inventory of keys available for secure rooms, buildings or		

file cabinets?		
Does the PHA maintain a log of all destroyed UIV documents or have a record retention policy?		
Does the PHA have an active HUD Form 9886 or equivalent in the reviewed tenant file?		
Does the PHA document all improper disclosures of UIV information in writing?		
Does the PHA report any evidence of unauthorized access or known security breaches to the designated PHA staff person(s)?		

What steps does the PHA take to ensure that UIV systems' access rights are revoked or modified as appropriate?

What security methods does the PHA use to provide physical security of UIV data? Check all that apply.

( ) Restricted areas
( ) Locked containers
( ) Locked rooms
( ) Reinforced perimeters
( ) Locked buildings with guards
( ) Locked file cabinets
( ) Other (please specify)_____

How does the PHA dispose of UIV information once the data has been used and served its purpose? Check all that apply.

( ) Burn
( ) Shred
( ) Erase
( ) Other (please specify)_____

Certification of PHA Security Compliance

☐	The PHA is in compliance with UIV security procedures. (If all responses are "yes" in Section B and the PHA has implemented specific safeguards to protect UIV data.)

☐	The PHA is not in compliance with UIV Security procedures. (If any response is "no" in Section B and/or the PHA has not implemented specific safeguards to protect UIV data.)

As a result of non-compliance, HUD will take the following actions:

☐	Suspend PHA access to the Enterprise Income Verification (EIV) system

☐	Suspend PHA access to the Tenant Assessment Subsystem (TASS)

☐	Terminate PHA access to the Enterprise Income Verification (EIV) system

☐	Terminate the following users' access to the Enterprise Income Verification (EIV) system:_____
_____
_____

☐ Terminate PHA access to the Tenant Assessment Subsystem (TASS)

☐ Terminate the following users' access to the Tenant Assessment Subsystem (TASS):_____

☐ Require the PHA to submit a Corrective Action Plan (CAP) to the local HUD field office within 30 days.

☐ Schedule a follow-up UIV Review within 90 days or sooner.

☐ Other_____
_____
_____

C.   ELIMINATION OF SUBSIDY PAYMENT AND TENANT RENT ERRORS THROUGH RESOLUTION OF UIV INCOME DISCREPANCIES

Requirements: Field Office staff is responsible for ensuring that the top 5 (worst) income discrepancies, per program type, as identified in EIV's Exceeds Threshold report have been resolved.

The Field Office should review tenant cases files or PHA documentation to ensure that the PHA has resolved the worst income discrepancies (determined whether the case is valid or invalid) as identified in the household listing of the Exceeds Threshold report. In the event of a valid case, the Field Office is required to confirm that the PHA has taken the appropriate action to eliminate subsidy payment errors and tenant rent errors attributable to the income discrepancy.

Questions	Yes	No
Did the PHA resolve all income discrepancy cases? (Specify total number of discrepancy cases ____). If no, list the number of cases the PHA resolved_____, the percentage of cases completed _____% (cases completed/total number of cases) and the anticipated completion date that these cases will be resolved_____		
Does the PHA have documented practices/procedures for using UIV tools in the PHA's occupancy process? If no, provide the date the PHA anticipates updating its administrative policies and procedures_____		

Reviewer Comments:

PHA: [   ] **HUD Reviewer:** [   ] **Date:** [   ]

C. Admissions and Occupancy (A&O) Policies Review – Public Housing only

Key Measures of Success

— **PHA has clear public housing policies and procedures on verification and documentation which, if followed consistently, will lead to accurate, thorough and consistent determinations of income and rent.**

Monitoring Actions & Questions

— **1.** Obtain current working copy of A&O Policies from PHA management.

	Yes	No	Unclear

PHA has adopted and is using public housing A&O Policies governing the occupancy management function of the public housing program?

— **2.** Review A&O policies to determine if policies address key aspects of **INCOME** determinations, and are compliant with current statutory, regulatory and program requirements.

	Yes	No	Unclear

a. A&O policies include definitions of *Annual* Income, including discussion of earned income exclusions, coordination with TANF agencies, use of imputed welfare income, etc.?

b.1. A&O policies include definitions of *Adjusted* Income and income deductions?

b.2. Has PHA adopted *permissive* income deductions, beyond federally required deductions (see also PHA Plan, section 4)? If so, list permissive deductions:
-
-
-
-

— **3.** Review A&O policies to determine if policies address key aspects of **RENT** determinations, and are compliant with current statutory, regulatory and program requirements.

PHA: [ ]   HUD Reviewer: [ ]   Date: [ ]

C. Admissions and Occupancy (A&O) Policies Review – Public Housing only (continued)

	Yes	No	Unclear

a.1. A&O policies offer clear description of income-based tenant rent policies (see also PHA Plan, section 4)?

a.2. PHA computes Tenant Rent using <u>traditional</u> method?
- Total Tenant Payment (TTP) minus Utility Allowance equals Tenant Rent

a.3. PHA computes Tenant Rent using non-traditional, <u>alternative</u> method?
- PHA uses different income percentage(s) to compute tenant rent?
- PHA uses a "fixed" rent amount that varies by income range?
- PHA deposits portion of tenant's payment in escrow or savings account?
- PHA uses some other method? Describe:

b. PHA has established a **Minimum Rent** amount or schedule for income-based rents? Minimum rent policies are consistent with current HUD requirements and guidance?
- Do minimum rents vary by project? By location? By unit size?
- Has the PHA adopted policies on exemption from minimum rent due to financial hardship?

c. Has PHA adopted **Ceiling Rents** as a cap on traditional Income-based Tenant Rents? If so, ceiling rents policies are consistent with current HUD requirements and guidance?
- To what extent are the ceiling rents used – at particular developments? Types of developments? Portions of developments? Specific units or units of a certain size?

d. PHA has adopted market-based **Flat Rents**? Flat rents and policies on use of flat rents are consistent with HUD requirements and guidance?
- Do PHA policies offer families the option to "switch" annually from flat rents to income-based rents?

4. Review A&O policies to determine if policies address key aspects of **VERIFICATION** of information related to income and rent determinations.

	Yes	No	Unclear
a. A&O policies clearly outline acceptable forms of verification and documentation for **Annual Income**, including sources of income included and excluded from Annual Income?			
b. A&O policies clearly outline acceptable forms of verification and documentation for **Adjusted Income**, including all deductions to Annual Income?			
c. A&O policies clearly outline acceptable forms of verification and documentation for **Social Security Numbers** for all family members age 6 and older?			

		Yes	No	Unclear

d. A&O policies clearly outline acceptable forms of verification and documentation for **Citizenship** and **Eligible Immigration Status** for all family members, necessary to establish family qualification for prorated assistance? Do PHA policies authorize PHA use of the INS Systematic Alien Verification for Entitlements (SAVE) system, both primary and secondary verification

e. A&O policies outline written agreements with other agencies to facilitate computer-matching and up-front verification? Does PHA have clear policies and procedures on verification through computer-matching? How information is used? Following up on computer-matched information?

f. A&O policies include policies and procedures on the use of *up-front* income verification techniques? What *up-front* income verification techniques are authorized by PHA policy:

- Enterprise Income Verification (EIV) system

- Tenant Assessment Subsystem (TASS)

- Credit Bureau Association (CBA) Credit Reports

- The Work Number

- Internal Revenue Service (IRS) Form 4506-t

- Internal Revenue Service (IRS) Form 4506

- Social Security Administration (SSA) Form 7004

- Other (Describe):

g.1. A&O verification policies are sound, thorough, complete, and designed to secure documentation of the highest level of reliability and accuracy? A&O policies identify **upfront income verification, 3rd party, written verification**, received directly from the information source via mail, fax, electronic means, computer-matching, or some other reliable means, as the highest level of acceptable verification?

g.2. A&O policies clearly identify and limit circumstances where verification sources other than upfront income verification might be acceptable?

- 3rd party written verification when tenant disputes UIV data and there is a substantial difference between PIC and UIV reported wages, unemployment benefits, and Social Security benefits;

- **3rd-party oral verification** when written verification impossible or not timely;

- **Document verification** involving PHA review of documents provided directly by the applicant or tenant, preferably original copies (not photocopies);

- **Family Declaration or Certification**, notarized statement or signed affidavit from the family attesting to accuracy of information, used very rarely and only when all other forms of verification are impossible.

h. A&O policies and procedures on verification and documentation include safeguards to ensure that all documentation is maintained confidentially and not misused or improperly disseminated?

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

C.   Admissions and Occupancy (A&O) Policies Review – Public Housing only (continued)

	Yes	No	Unclear
i. A&O policies and procedures address situations where verification sources refuse to respond?			
j. A&O policies and procedures address situations where documentation is falsified?			
k. A&O policies and procedures address situations where documentation reveals information withheld by the family?			

___ **5.** Review A&O policies to determine if policies address **REEXAMINATION** of information related to income and rent determinations.

	Yes	No	Unclear
a.1. Do policies provide for reexaminations of income conducted at least annually for all families paying an income-based rent?			
a.2. Do policies provide for reexaminations of income conducted at least once every three years for all families paying a flat rent?			
a.3. Do policies provide for reexamination of family composition at least annually for all families?			
b. Do A&O policies address scheduling and conducting interim reexaminations? Are interim reexamination policies designed to assure that rents are kept current with family income changes? Has the PHA established a "range" within which income changes need not be reported, to avoid frequent interim re-determinations? Do the PHA's policies permit a rapid response to changes in family circumstances that would <u>reduce</u> the family's rent?			
c. Has the PHA developed policies for detection of unreported changes in income or family circumstances? How does the PHA respond to these cases?			

___ **6.** Interview Executive Director and other management staff. Identify internal controls implemented by management for periodic review of A&O policy provisions and to ensure A&O policies are kept current with changing requirements.

- Confirm that management staff receive regular training on PHA public housing A&O policies, including public housing rent determination policies and procedures

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

C.   Admissions and Occupancy (A&O) Policies Review – Public Housing only (continued)

7. Interview PHA staff involved in all aspects of public housing income and rent determinations.

- Discuss A&O policies strengths and weaknesses with public housing occupancy staff, particularly provisions related to income, rent, verification and documentation, etc. Identify any A&O policy revisions that staff believes could improve the policies.
- Identify the A&O policies which staff use day-to-day. Confirm that these working copies of the A&O policies are current.
- Confirm that staff receive regular training on PHA public housing A&O policies, including public housing rent determination policies and procedures

8. Confirm that A&O policies are on display at the PHA and available for review by public, tenants, applicants, etc., as required by the PHA Plan.

Notes and Observations on A&O Policies

PHA: [   ]   HUD Reviewer: [   ]   Date: [   ]

D.   Administrative Plan Review – Section 8 HCV only

Key Measures of Success

— **PHA has clear Section 8 Housing Choice Voucher policies and procedures on verification and documentation which, if followed consistently, will lead to accurate, thorough and consistent determinations of income and rent.**

Monitoring Actions & Questions

— **1.** Obtain current working copy of Section 8 Administrative (Admin) Plan from PHA management.

	Yes	No	Unclear
PHA has adopted and is using Section 8 Admin Plan governing the occupancy management function of the public housing program?			

— **2.** Review Admin Plan to determine if policies address key aspects of **INCOME** determinations, and are compliant with current statutory, regulatory and program requirements.

	Yes	No	Unclear
a. Admin Plan includes definitions of *Annual* Income, including discussion of earned income exclusions for disabled family members, coordination with TANF agencies, use of imputed welfare income, etc.?			
b. Admin Plan includes definitions of *Adjusted* Income and income deductions?			

— **3.** Review Admin Plan to determine if policies address key aspects of **RENT** determinations, and are compliant with current statutory, regulatory and program requirements.

	Yes	No	Unclear
a. Admin Plan offers clear description of policies on computation of Family Share of Rent, Housing Assistance Payment (HAP) to owner, Family Rent to Owner, etc.?			
b. PHA has established a **Minimum Rent** amount or schedule? Minimum rent policies are consistent with current HUD requirements and guidance?			
• Has the PHA adopted policies on exemption from minimum rent due to financial hardship?			
c. PHA has established a **Subsidy Standards** schedule?			
d. PHA has established a **Payment Standards** schedule (see section **D. Payment Standards** for detailed discussion)?			

PHA:		HUD Reviewer:		Date:	

D. Administrative Plan Review – Section 8 HCV only (continued)

4. Review Admin Plan to determine if policies address key aspects of **VERIFICATION** of information related to income and rent determinations.

		Yes	No	Unclear
a.	Admin Plan clearly outlines acceptable forms of verification and documentation for **Annual Income**, including sources of income included and excluded from Annual Income?			
b.	Admin Plan clearly outlines acceptable forms of verification and documentation for **Adjusted Income**, including all deductions to Annual Income?			
c.	Admin Plan clearly outlines acceptable forms of verification and documentation for **Social Security Numbers** for all family members age 6 and older?			
d.	Admin Plan clearly outlines acceptable forms of verification and documentation for **Citizenship** and **Eligible Immigration Status** for all family members, necessary to establish family qualification for prorated assistance? Do PHA policies authorize PHA use of the INS Systematic Alien Verification for Entitlements (SAVE) system, both primary and secondary verification			
e.	Admin Plan outlines written agreements with other agencies to facilitate computer-matching and up-front verification? Does PHA have clear policies and procedures on verification through computer-matching? How information is used? Following up on computer-matched information?			
f.	Admin Plan includes policies and procedures on the use of *up-front* verification techniques? What *up-front* techniques are authorized by PHA policy:			
	• Tenant Assessment Sub-System (TASS)?			
	• State Wage Information Collection Agencies (SWICA)?			
	• Credit Bureau Association Credit Reports?			
	• The Work Number?			
	• Internal Revenue Service Letter 1722?			
	• Other? (Describe):			
g.1.	Admin Plan verification policies are sound, thorough, complete, and designed to secure documentation of the highest level of reliability and accuracy? Admin Plan policies identify **3rd party, written verification**, received directly from the information source via mail, fax, electronic means, computer-matching, or some other reliable means, as the highest level of acceptable verification?			

PHA: [ ]   **HUD Reviewer:** [ ]   **Date:** [ ]

D.   Administrative Plan Review – Section 8 HCV only (continued)

		Yes	No	Unclear

g.2. Admin Plan policies clearly identify and limit circumstances where verification sources <u>other than</u> 3rd party, written verification might be acceptable? [ ] [ ] [ ]

- **3rd-party oral verification** when written verification impossible or not timely;
- **Document verification** involving PHA review of documents provided directly by the applicant or tenant, preferably original copies (not photocopies);
- **Family Declaration or Certification**, notarized statement or signed affidavit from the family attesting to accuracy of information, used very rarely and only when all other forms of verification are impossible.

h. Admin Plan policies and procedures on verification and documentation include safeguards to ensure that all documentation is maintained confidentially and not misused or improperly disseminated? [ ] [ ] [ ]

i. Admin Plan policies and procedures address situations where verification sources refuse to respond? [ ] [ ] [ ]

j. Admin Plan policies and procedures address situations where documentation is falsified? [ ] [ ] [ ]

k. Admin Plan policies and procedures address situations where documentation reveals information withheld by the family? [ ] [ ] [ ]

5. Review Admin Plan to determine if policies address **REEXAMINATION** of information related to income and rent determinations.

		Yes	No	Unclear

a.1. Do policies provide for reexaminations of income conducted at least annually for all families? [ ] [ ] [ ]

a.2. Annual Reexamination effective dates correspond with: [ ] [ ] [ ]

- Anniversary date of the HAP Contract?
- 12 months from the date of initial verification?
- Other:

b. Does Admin Plan address scheduling and conducting interim reexaminations? Are interim reexamination policies designed to assure that rents are kept current with family income changes? Has the PHA established a "range" within which income changes need not be reported, to avoid frequent interim re-determinations? Do the PHA's policies permit a rapid response to changes in family circumstances that would <u>reduce</u> the family's rent? [ ] [ ] [ ]

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

D.   Administrative Plan Review – Section 8 HCV only (continued)

	Yes	No	Unclear

c. Has the PHA developed policies for detection of unreported changes in income or family circumstances? How does the PHA respond to these cases?

___ **6.** Interview Executive Director and other management staff. Identify internal controls implemented by management for periodic review of Admin Plan provisions and to ensure policies are kept current with changing requirements.

- Confirm that management staff receives regular training on Section 8 Admin Plan, including Section 8 HCV rent determination policies and procedures.

___ **7.** Interview PHA staff involved in all aspects of Section 8 HCV income and rent determinations.

- Discuss Admin Plan strengths and weaknesses with Section 8 HCV occupancy staff, particularly provisions related to income, rent, verification and documentation, etc. Identify any Admin Plan revisions that staff believes could improve the policies.
- Identify the Admin Plan which staff use day-to-day. Confirm that these working copies of the Admin Plan are current.
- Confirm that staff receives regular training on Section 8 Admin Plan, including Section 8 HCV rent determination policies and procedures.

___ **8.** Confirm that the Admin Plan is on display at the PHA and available for review by public, tenants, applicants, etc., as required by the PHA Plan.

Notes and Observations on Admin Plan

PHA: [ ]   HUD Reviewer: [ ]   Date: [ ]

E.   Payment Standards – Section 8 HCV only

Key Measures of Success

—   **PHA maintains current payment standards schedule for all unit sizes and types within its jurisdiction, compliant with HUD requirements. PHA periodically reviews payment standard schedule and updates as necessary.**

Monitoring Actions & Questions

—   **1.**   Obtain a copy of the PHA's payment standard schedule (see Section 4 of the PHA Plan). Also refer to a copy of the current Fair Market Rents (FMRs) schedule, published by HUD.

	Yes	No	Unclear
a. The PHA has established a schedule of Payment Standard amounts for each unit size and type within each Fair Market Rent (FMR) area in the PHA's jurisdiction?			
b. Payment Standard schedule is organized to readily identify the appropriate payment standard amount for any unit?			
c. Schedule applies to all vouchers administered by the PHA, regardless of funding source?			

—   **2.**   Review payment standard schedule for compliance with current HUD requirements and within the latitude permitted to PHAs.

	Yes	No	Unclear
a. Payment standard amounts are established within a basic range of 90% to 110% of the 40th percentile FMRs, based on the HUD-published FMR schedule?			
b. Has the PHA established different payment standard amounts for different designated parts of the FMR area? If so, are these differing amounts still within the basic range of 90% to 110% of the 40th percentile?			
c.1. Does the HUD-published FMR schedule include FMRs established at the 50th percentile (only for certain metropolitan areas that meet certain criteria)?			
c.2. If the PHA has an FMR area within its jurisdiction where FMRs have been established at the 50th percentile, are the payment standard amounts in the schedule established within a range of 90% to 110% of the 50th percentile FMRs?			

PHA: [ ] **HUD Reviewer:** [ ] **Date:** [ ]

E. Payment Standards – Section 8 HCV only (continued)

	Yes	No	Unclear
d. **"Success Rate" Payment Standards:** If the PHA does <u>not</u> have an FMR area within its jurisdiction where the FMRs have been established at the 50th percentile, has the PHA obtained HUD approval to use 50th percentile FMRs if needed to ensure that more voucher holders will be successful in finding decent, affordable housing? Confirmed by HUD file records?			
e.1. **"Exception Area" Payment Standards:** Has the PHA obtained HUD approval to establish payment standards at amounts <u>below</u> 90% or <u>above</u> 110% of the 40th or 50th percentile FMRs (as appropriate) for designated parts of the FMR area? Confirmed by HUD file records?			
(NOTE: Exception payment standards may be for all units in the "exception areas" or for all units of a given bedroom size in these areas)?			
e.2. For a given "exception area", has the PHA obtained HUD approval of exception payment standard amounts that <u>exceed</u> 120% of the published FMR (approved by the Assistant Secretary for PIH)? Confirmed by HUD file records?			

___ **3.** Obtain and review PHA records of periodic review, analysis and adjustment of payment standard schedule.

	Yes	No	Unclear
a.1. At least annually, does the PHA review the schedule of payment standards, analyze payment standards to determine whether adjustments are needed for some or all unit sizes and revise payment standard schedule as appropriate?			
a.2. When did the PHA perform this annual analysis:			
• Prior to preparation of the housing choice voucher program budget?			
• In conjunction with annual comparison of payment standards to new FMR amounts?			
• At some other time?			
a.3. When reviewing and analyzing payment standards to determine whether adjustments are needed, does the PHA consider:			
• Assisted families rent burdens, whether such rent burdens exceed 30% of income due to gross rent levels above PHA payment standards?			
• Availability of suitable vacant units with rents below payment standard amounts, particularly in areas of low concentrations of poor and minority?			
• Relative size and quality of units being selected by voucher-holders?			

PHA: [_____] **HUD Reviewer:** [_____] **Date:** [_____]

E. Payment Standards – Section 8 HCV only (continued)

	Yes	No	Unclear
• Average time required for voucher-holders to locate suitable units?			
• Number of voucher-holders whose vouchers are expiring before they are able to find a suitable unit?			
• Excessively high numbers of families using portability to move out of the PHA's jurisdiction?			
b.1. Refer to the <u>current</u> schedule of FMRs published in the Federal Register and determine the effective date of the FMRs. When the new schedule of FMRs was published, did the PHA review its payment standards schedule <u>prior to</u> the effective date of the FMRs?			
b.2. If FMRs <u>increased</u>, did the PHA ensure that payment standard amounts for each unit size remained within 90% of the new FMRs? If necessary, did the PHA raise payment standard amounts to a new amount within 90% of the new FMR?			
b.3. If the FMRs <u>decreased</u>, did the PHA ensure that payment standard amounts for each unit size remained with 110% of the new FMRs? If necessary, did the PHA lower payment standard amounts to a new amount within 110% of the new FMR?			

Notes and Observations on Payment Standards

PHA: [   ]   HUD Reviewer: [   ]   Date: [   ]

F.   Accepting and Processing Applications

Key Measures of Success

— **PHA application materials and processes, including the use of application interviews, are clear, thorough and effective at identifying all family information relative to income and rent.**

— **PHA staff is trained in application policies and procedures, including interview techniques.**

— **PHA has adequate internal quality controls for the application process.**

Monitoring Actions & Questions

— **1.**   Obtain copies of all materials used by the PHA during the application process, which could include:

___   Materials completed by applicant – pre-application, application, certifications, etc.

___   Materials provided to the applicant, guidance on requirements, etc.

___   Sample verification forms, verification letters, etc.

___   Worksheets used by PHA to compute income and rent

___   Interview scripts, interview formats and checklists, etc.

___   Other:

— **2.**   Review application and application materials to determine effectiveness at soliciting and identifying <u>all</u> relevant aspects of the family's eligibility, income and rent situation, including:

	Yes	No	Unclear
a.1. All income sources including wages and earned income, assets and asset income, welfare benefit income, Social Security and other forms of benefit income, etc.?			
a.2. Circumstances that would justify <u>exclusion</u> of income sources from consideration as Annual Income, including the family's qualification for earned income exclusion?			
a.3. All factors contributing to income <u>deductions</u> for purposes of determining Adjusted Income, including medical expenses, child care expenses, disability assistance expenses, number of dependents, etc.?			
a.4. *Public Housing Applicants only:* All PHA-adopted permissive adjustments and deductions when computing Adjusted Income, as established by PHA policy?			

PHA: [   ]   HUD Reviewer: [   ]   Date: [   ]

F.   Accepting and Processing Applications (continued)

		Yes	No	Unclear
a.5.	Citizenship and/or eligible immigration status of all family members?			
a.6.	Social Security Numbers for all family members age 6 and over?			
a.7.	Family qualification under the PHA's definition of "family," including family composition?			
a.8.	Other:			
b.	Application materials are clear and easy to understand for applicants?			
c.	Application materials are made available in different languages for non-English speaking applicants?			

___ **3.** Chart the entire Application process, from the point a family shows up at PHA in need of housing, through placement on waiting list, verification of relevant information and, ultimately, selection for housing.

- Interview PHA staff responsible for accepting and processing applications. Have staff "walk" you through the process of accepting and processing applications. Outline the steps.

- Determine if the PHA uses some form of computer software application or program to capture and record information on applicants and tenants. If so, have staff "walk" you through the process of entering information and data into the system. Examine data input screens carefully to ensure a thorough understanding of the PHA's system, as well as any reports generated by the system.

		Yes	No	Unclear
a.	Is the PHA process for accepting applications reasonable, fair and accessible to all interested applicants groups?			
b.	Are all locations where applications are accepted (central location; area offices; temporary location; etc.) accessible to the elderly and disabled?			
c.	Are the times for accepting applications ("regular" office hours; specially designated times, etc.) accommodating for applicants?			
d.	Has the PHA made provisions for accepting applications from those with special needs (e.g., language translation, vision-impaired, hearing-impaired, etc.)?			
e.	Are the times for accepting applications ("regular" office hours; specially designated times, etc.) accommodating for applicants?			

PHA:		HUD Reviewer:		Date:	

F.   Accepting and Processing Applications (continued)

		Yes	No	Unclear
f.	Where the PHA has other methods for accepting applications – mail-in, fax, email, website, telephone, home visits, etc. – are these methods accessible to all applicants?			
g.	Is the PHA operating under a court order, voluntary compliance agreement, or other mandatory directive that restricts, limits or directs the PHA to accept applications in a certain manner? If so, have these directive(s) affected the ability of the PHA to process applications effectively and gather the necessary information for income and rent determinations?			
h.1.	Does the PHA accept and process applications from all interested families and maintain a clear record of all applications received and processed?			
h.2.	Are files maintained in a place that assures confidentiality and access only by authorized staff?			
i.	Does the PHA devote sufficient time and resources to the application process overall, in order to ensure that eligible families are identified, briefed and ready to be housed when assistance becomes available?			
j.	Does the PHA have adequate internal quality controls on the application process (e.g., sample of applicant files reviewed by a person other than person who did them, supervisory review, etc.)?			
k.	Have staff received adequate training on the PHA's application processes?			

___   **4.**   Determine if there is an established protocol for applicant interviews. Sit in on an application interview at the PHA (if possible).

- Observe the type of questions asked.

- Review any interview script or checklist used by the PHA interviewer to assess the level of detail of information gathered at the application and interview stage.

		Yes	No	Unclear
a.	Does the interview effectively support the application process, identifying and clarifying <u>all</u> relevant aspects of the family's eligibility, income and rent situation?			
b.	Does the PHA interviewer follow an interview script or checklist to ensure that all relevant information is solicited? Is the script accurate and thorough?			
c.	Does the PHA interviewer ask appropriate follow-up questions when the family offers relevant information?			

PHA: [ ]   HUD Reviewer: [ ]   Date: [ ]

F. Accepting and Processing Applications (continued)

		Yes	No	Unclear
d.	Does the interview solicit and identify all potential sources of income including earned income, benefit income, assets and asset income, regular contributions and gifts, etc?			
e.	Does the interview solicit and identify citizenship and/or eligible immigration status of all family members?			
f.	Does the interview solicit and identify Social Security Numbers for all family members age 6 and over?			
g.	Does the PHA devote sufficient time to the interview process? Does it appear that the PHA views the interview as an effective information-gathering process (or merely a formality)?			
h.	Have staff received adequate training on applicant interviews, effective interview techniques, etc.?			

5. Refer to the results of the tenant file sample review, particularly tenant files for **recent admission** families, as the basis for responding to the following questions. You may also wish to pull targeted samples of current applicant files and rejected applicant files to assess the record of the application process for these families.

		Yes	No	Unclear
a.	Are applicant materials organized to provide an accurate and chronological history of events? Does the PHA maintain documentation of any changes in an applicant family's circumstances –family size and composition, eligibility of family members, income, citizenship/eligible immigration status, Social Security Numbers, etc.?			
b.	Do files consistently contain a privacy act notice and release and consent forms for verification of information?			
c.	Is the PHA consistently establishing and verifying citizenship and/or eligible immigration status for all family members?			
d.	Is the PHA consistently identifying and verifying Social Security Numbers for all family members age 6 and older?			
e.	Is the PHA consistently identifying and verifying all potential sources of income including wages and earned income, assets and asset income, welfare benefit income, Social Security and other forms of benefit income, etc.?			

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

F.   Accepting and Processing Applications (continued)

		Yes	No	Unclear

f. Is the PHA consistently identifying and verifying all circumstances that would justify <u>exclusion</u> of income sources from consideration as Annual Income, including qualification for earned income exclusion?

g. Is the PHA consistently identifying and verifying all factors contributing to income <u>deductions</u> for purposes of determining Adjusted Income, including medical expenses, child care expenses, disability assistance expenses, number of dependents, etc.?

h. *Public Housing Applicants/Tenants only:* Is the PHA consistently identifying and verifying all PHA-adopted permissive adjustments and deductions when computing Adjusted Income, as established by PHA policy?

i. Do files show evidence of a consistent and clear connection between the information gathered at the application stage and the documented information used to establish family eligibility, income and rent?

Notes and Observations on Accepting and Processing Applications

PHA: [ ] HUD Reviewer: [ ] Date: [ ]

G. Income

Key Measures of Success

— **PHA internal systems for determining Annual and Adjusted Income, including PHA computer software environment, worksheets and other aids, produces consistently accurate results.**

— **PHA staff are trained in current income determination requirements, as well as the PHA's own internal systems for income determination.**

— **PHA has adequate internal quality controls over the income determination process.**

Monitoring Actions & Questions

— **1.** Obtain copies of any materials used by the PHA during the process of verification and calculation of Annual and Adjusted Income and review for accuracy and compliance with federal requirements. Materials could include:

   Standard verification letters and formats used for all income sources

   Standard verification letters and formats used for all sources of deductions, medical expenses, child care expenses, disability status, etc.

   Standard release and authorization statements used for all income and deduction sources

   Worksheets, tables, guides or other aids used by the PHA in income and deduction calculation

   Other:

— **2.** Refer to the results of the tenant file sample review as the basis for responding to the following questions on **Annual Income**.

	Yes	No	Unclear
a.1. Do files show evidence that the PHA is identifying and verifying all items to be <u>included</u> in Annual Income, including but not limited to the following major categories:			
• Wages, salaries, earned income, business income, etc.?			
• Net family assets and asset income?			
• Welfare income (general assistance, TANF, etc.)?			
• Social Security, SSI, pensions, etc.			
• Other (child support, unemployment compensation, other non-wage, etc.)			

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

G.   Income (continued)

		Yes	**No**	**Unclear**

a.2. Do files show evidence that the PHA is properly considering and verifying imputed welfare income in cases of welfare benefits reduction due to welfare fraud or welfare sanction? □ □ □

b. Do files show evidence that the PHA is accurately identifying and verifying all items to be excluded from consideration as Annual Income? □ □ □

> Examples include wages of family members under age 18, Payments for student financial assistance, lump-sum additions to family assets, lump-sum payments of deferred benefits, Payments received for care of foster children or adults, etc.

c. Do files show evidence that the PHA is accurately identifying and verifying all Federally-mandated exclusions from Annual Income, per the most recent notice of such exclusions published in the Federal Register (NOTE: Current Federal Register publication dated August 3, 1993. Updated by Federal Register publication of April 20, 2001)? □ □ □

d.1. *Section 8 HCV only:* Based on the results of the tenant file sample review of **reexamination** families only, do files show evidence that the PHA is properly disregarding increases in earned income for persons with disabilities, in accordance with the earned income exclusion requirements □ □ □

d.2. *Public Housing only:* Based on the results of the tenant file sample review of **reexamination** families paying an **income-based rent** only, do files show evidence that the PHA is properly disregarding increases in earned income for any family member, in accordance with the earned income exclusion requirements? □ □ □

- Where PHA provides for individual savings accounts as an alternative to disallowance of increases in earned income (at the family's option), have any families taken advantage of this option? For any such family, has the PHA established an individual savings account, accurately calculated the amount of the earned income exclusion, and deposited this amount in the account?

e.1. Do files show evidence that the PHA is accurately calculating Annual Income for the 12-month period following effective date of admission or reexamination? □ □ □

e.2. Where the PHA determines Annual Income for a lesser period of time, do files show evidence that the PHA is properly *annualizing* income for the entire 12-month period following effective date of admission/reexamination? □ □ □

PHA: [ ]   **HUD Reviewer:** [ ]   **Date:** [ ]

G.   Income (continued)

	Yes	No	Unclear

f. Where a family reports "zero" ($0) Annual Income, do files show evidence that the PHA takes steps to follow-up with common income sources (public assistance, unemployment compensation, etc.)? Does the PHA require periodic reporting by the family? Does the PHA require the family to prepare and submit a budget or expense statement?

g. Do files show evidence that the PHA-developed worksheets, guides, computer software systems, and other aids are accurate and effective in determining Annual Income?

h. Do files show evidence of any patterns of errors in PHA Annual Income calculations? Are there patterns of errors by staff person, by area, etc?

i. Do files show evidence that PHA staff clearly understand definitions and terms used in Annual Income? All staff use a consistent approach to calculating income?

3. Refer to the results of the tenant file sample review as the basis for responding to the following questions on **Adjusted Income**.

	Yes	No	Unclear

a.1. Do files show evidence that the PHA is accurately identifying the family's qualification for mandatory adjustments and deductions, verifying this status, and accurately calculating the deduction(s), including:

- $480 per <u>dependent</u>, based on the number of dependents in the family, including full-time students or persons with disability?

- $400 per <u>family</u> for an elderly or disabled family, based on whether family head, spouse or sole member is an elderly person or disabled person?

- The sum of unreimbursed medical expenses and reasonable attendant care and auxiliary apparatus expenses, to the extent the sum exceeds three percent of Annual Income:

- Unreimbursed, "reasonable" child-care expenses for care of a child under 13 years of age, necessary to enable any member of the family to seek employment, to be employed or to further his/her education.

PHA: [ ] HUD Reviewer: [ ] Date: [ ]

G.   Income (continued)

		Yes	No	Unclear

a.2. *Public Housing only:* Do files show evidence that the PHA is accurately identifying and verifying all PHA-adopted <u>permissive</u> adjustments and deductions, as established by PHA policy?

b. Do files show evidence that the PHA-developed worksheets, guides, computer software systems, and other aids are accurate and effective in determining Adjusted Income?

c. Do files show evidence of any patterns of errors in PHA Adjusted Income calculations? Are there patterns of errors by staff person, by area, etc?

d. Do files show evidence that PHA staff clearly understand definitions and terms used in Adjusted Income? All staff use a consistent approach to calculating income?

4. Refer to the results of the tenant file sample review as the basis for responding to the following questions on **Verification and Documentation**.

		Yes	No	Unclear

a.1. Do files demonstrate consistent **3rd party, written verification**, received directly from the information source via mail, fax, electronic means, computer-matching, or some other reliable means, as the highest level of acceptable verification?

a.2. Where tenant files include verification sources <u>other than</u> 3rd party, written verification, does the verification follow the basic hierarchy for acceptability and reliability of verification sources, consistent with PHA policy:

- **3rd-party oral verification** when written verification impossible or not timely;

- **Document verification** involving PHA review of documents provided directly by the applicant or tenant, preferably original copies (not photocopies);

- **Family Declaration or Certification**, notarized statement or signed affidavit from the family attesting to accuracy of information, used very rarely and only when all other forms of verification are impossible.

a.3. Where tenant files include verification sources <u>other than</u> 3rd party, written verification, does file offer explanation or evidence of reason why 3rd party, written verification was not used?

b. Do files show evidence that the PHA uses standard procedures, form letters, etc., to contact income verification sources, as outlined in PHA policy?

PHA:		HUD Reviewer:		Date:	

G.   Income (continued)

			Yes	No	Unclear

c. Do files show evidence that the PHA uses adequate procedures to handle delays in obtaining verifications needed to determine Annual and Adjusted Income, or situations where income verification sources are not responsive, consistent with PHA policy?

d. Do files show evidence that the PHA uses a process for addressing documentation that is falsified or documentation that reveals information withheld by the family, consistent with PHA policy?

e. In general, is there clear consistency between Annual and Adjusted Income calculations and the source verification for Annual and Adjusted Income? Are there circumstances where the PHA is consistently misinterpreting income documentation, resulting in incorrect calculations of Annual and Adjusted Income?

5. Chart the entire process of Annual and Adjusted Income verification and calculation.

- Interview PHA staff responsible for verification and calculation of income and income deductions. Have staff "walk" you through the process of verification and calculation. Outline the steps.

- Determine if the PHA uses some form of computer software application or program to record and calculate Annual and Adjusted Income. If so, have staff "walk" you through the process of entering income information and data into the system.

- Examine data input screens carefully to ensure a thorough understanding of the PHA's system, as well as any reports generated by the system.

- Ensure that you understand how Annual and Adjusted Income calculations are made in the system, based on data input by PHA staff.

			Yes	No	Unclear

a. Does the PHA have adequate internal quality controls on the accuracy of Annual and Adjusted Income calculations, including verification of income and deduction information (e.g., sample of verifications and calculations reviewed by a person other than the person who did them; supervisory review of a sample of income verifications and calculations)?

b. Does the PHA begin the verification and calculation process far enough in advance to ensure that an applicant family was qualified for assistance at the time the PHA was ready to offer housing assistance to the family? To ensure that tenant reexaminations were completed on time?

PHA: [   ] **HUD Reviewer:** [   ] **Date:** [   ]

G.   Income (continued)

		Yes	No	Unclear
c.	Based on analysis of the PHA's system, does it appear that consistently following the process would lead PHA staff to accurately verify and calculate income? Are there fundamental flaws in the process that might lead to errors, inaccurate calculations, etc.			
d.	Does the PHA have good, cooperative relationships with verification sources (e.g., local welfare agencies, Social Security Administration, major employers, local landlords, etc.)?			
e.	PHA process includes use of computer-matching when verifying relevant income and rent information, consistent with PHA policy? Has the PHA developed written agreements with other agencies to facilitate computer-matching?			
f.	Have staff received training on current requirements for determining Annual and Adjusted Income?			

Notes and Observations on Income

PHA: [ ]   HUD Reviewer: [ ]   Date: [ ]

H.   Rent – Public Housing only

Key Measures of Success

— **PHA internal systems for calculating public housing rent, including PHA computer software environment, worksheets and other aids, produces consistently accurate results.**

— **PHA staff are trained in current public housing rent requirements, as well as the PHA's own internal systems for calculating public housing rent.**

— **PHA has adequate internal quality controls over the public housing rent calculation process.**

Monitoring Actions & Questions

— **1.** Obtain copies of any materials used by the PHA during the process of calculation of Total Tenant Payment and Tenant Rent, and review for accuracy and compliance with federal requirements. Materials could include worksheets, tables, guides or other aids used by the PHA in rent calculation.

— **2.** Refer to the results of the tenant file sample review as the basis for responding to the following questions on **Total Tenant Payment (TTP)** and **Tenant Rent**.

	Yes	No	Unclear
a.1. Where the PHA uses <u>traditional</u> Income-based Tenant Rent calculation method, do files show evidence that the PHA correctly computes **TTP** based on the higher of: 30% of Adjusted Income; 10% of Annual Income; Welfare Rent; Minimum Rent?			
a.2. Where the PHA uses <u>traditional</u> Income-based Tenant Rent calculation method and the family is paying a **Minimum Rent**, do files show evidence that any families requested a financial hardship exemption? If so, did the PHA correctly suspend the minimum rent effective on the first of the month following the change in the family's circumstances? Did the PHA request documentation of the hardship situation?			
a.3. Where the PHA uses <u>traditional</u> Income-based Tenant Rent calculation method, do files show evidence that the PHA correctly computes **Tenant Rent** by subtracting the appropriate **utility allowance** from the correct TTP? Is the PHA correctly computing utility allowance, based on schedule of allowances?			
a.4. Where the PHA uses <u>traditional</u> Income-based Tenant Rent calculation method, do files show evidence that **Utility Reimbursements** are given where appropriate? If utilities are included in rent, does PHA charge for excess usage? Does the PHA offer individual relief on utility charges?			

PHA: [　　　　　] **HUD Reviewer:** [　　　　　] **Date:** [　　　　　]

H. Rent – Public Housing only (continued)

	Yes	No	Unclear

a.5. Where the PHA uses <u>traditional</u> Income-based Tenant Rent calculation method and has adopted **Ceiling Rents**, do files show evidence that the PHA applies ceiling rents as appropriate?

b.1. Where the PHA uses a non-traditional <u>alternative</u> method to calculate income-based rents, do files show evidence that PHA rent calculations are correct based on established PHA policy?

b.2. Where the PHA uses a non-traditional <u>alternative</u> method to calculate income-based rents, do files show evidence that alternative Income-based Tenant Rent calculations do <u>not</u> result in tenant rents that exceed the Tenant Rent computed by the traditional method? Does PHA compute Tenant Rent by traditional method to serve as a check on the Tenant Rents computed by the non-traditional alternative method?

c. Where the family is a "mixed" family (includes both members who are citizens or have eligible immigration status, and members who do not have eligible immigration status), does the PHA correctly **prorate** the amount of Income-based Tenant Rent, based on the percentage of household members who are citizens or have eligible immigration status?

d.1. Do files show evidence that the PHA is properly applying the correct **Flat Rent** amounts for tenant families choosing a flat rent, based on PHA-established flat rent policies?

d.2. Where families have chosen flat rents, do files show evidence that the PHA is properly allowing tenants to "switch" from flat rents to income-based rents because of hardship? Are determinations of "hardship" properly verified and consistently applied?

d.3. Where families have chosen flat rents, do files show evidence that the PHA is properly allowing tenants to "switch" from flat rents to income-based rents because of hardship? Are determinations of "hardship" properly verified and consistently applied?

d.4. Where the family is a "mixed" family (includes both members who are citizens or have eligible immigration status, and members who do not have eligible immigration status), does the PHA correctly **prorate** the amount of Flat Rent, based on the percentage of household members who are citizens or have eligible immigration status?

e. Do files show evidence that the PHA-developed worksheets, guides, computer software systems, and other aids are accurate and effective in calculating TTP and Tenant Rent?

PHA: [   ] **HUD Reviewer:** [   ] **Date:** [   ]

H.   Rent – Public Housing only (continued)

		Yes	No	Unclear

f.   Do files show evidence of any patterns of errors in PHA Tenant Rent calculations? Are there patterns of errors by staff person, by area, etc?

g.   Do files show evidence that PHA staff clearly understand definitions and terms used in TTP and Tenant Rent calculations? All staff use a consistent approach to calculating rent?

3.   Chart the entire process of Tenant Rent calculation in the public housing program.

- Interview PHA staff responsible for rent calculation. Have staff "walk" you through the process of rent calculation. Outline the steps.

- Determine if the PHA uses some form of computer software application or program to record and calculate rent in the public housing program. If so, have staff "walk" you through the process of entering income information and data into the system.

- Examine data input screens carefully to ensure a thorough understanding of the PHA's system, as well as any reports generated by the system.

- Ensure that you understand how public housing rent calculations are made in the system, based on data input by PHA staff.

		Yes	No	Unclear

a.   Does the PHA have adequate internal quality controls on the accuracy of Tenant Rent calculations (e.g., sample of calculations reviewed by a person other than the person who did them; supervisory review of a sample of Tenant Rent calculations)?

b.   Based on analysis of the PHA's system, does it appear that consistently following the process would lead PHA staff to accurately determine Tenant Rent? Are there fundamental flaws in the process that might lead to errors, inaccurate calculations, etc.

c.   Have staff received adequate training on current requirements for calculating public housing rent?

PHA: [   ]   HUD Reviewer: [   ]   Date: [   ]

H.   Rent – Public Housing only (continued)

Notes and Observations on Public Housing Rent

Rental Integrity Monitoring (RIM) Guide
Public Housing (PH) and the Housing Choice Voucher (HCV) Programs

PHA:	HUD Reviewer:	Date:

I. Rent and Housing Assistance Payments (HAP) – Section 8 HCV only

Key Measures of Success

— **PHA internal systems for calculating Section 8 HCV rent and HAP, including PHA computer software environment, worksheets and other aids, produces consistently accurate results.**

— **PHA staff is trained in current Section 8 HCV rent and HAP requirements, as well as the PHA's own internal systems for calculating rent and HAP.**

— **PHA has adequate internal quality controls over the Section 8 HCV rent and HAP calculation process.**

Monitoring Actions & Questions

— **1.** Obtain copies of any materials used by the PHA during the process of calculation of Family Share of Rent and Housing Assistance Payments (HAP), and review for accuracy and compliance with federal requirements. Materials could include worksheets, tables, guides or other aids used by the PHA in rent and HAP calculation.

— **2.** Refer to the results of the tenant file sample review as the basis for responding to the following questions on **Gross Rents** and **Payment Standards**.

		Yes	No	Unclear

a. Do files show evidence that the PHA correctly calculates the **gross rent** for the actual unit assisted under the program? Does the PHA correctly identify the full **rent-to-owner** (rent the owner is charging for the unit) and the appropriate **utility allowance** for utilities to be provided by the family, based on the size and characteristics of the <u>actual unit</u> (not the unit size listed on the family's housing voucher)? Where appropriate, does the PHA provide a <u>higher</u> utility allowance for the family, as a means for reasonable accommodation?

b. *Recent Admissions, Movers and Portability-in families:* Did the PHA use the appropriate **payment standard** for the family, based on the <u>lower</u> of the payment standard for the unit size listed on the family's housing voucher, <u>or</u> the payment standard for the size of the unit actually leased by the family (if <u>smaller</u> than the unit size listed on the family's housing voucher)?

c.1. *Reexamination families*: Did the PHA use the appropriate **payment standard** for the family, based on the <u>lower</u> of the payment standard for the unit size the family qualified for, based on the PHA's subsidy standards, <u>or</u> the payment standard for the size of the unit actually leased by the family (if <u>smaller</u> than the unit size the family qualified for under the subsidy standards)?

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

I.   Rent and HAP – Section 8 HCV only (continued)

	Yes	No	Unclear

c.2. *Reexamination families:* When the Payment Standard <u>increased</u> since the prior reexamination, did the PHA apply the higher standard at the *first* regular, annual reexamination (not interim reexaminations)?

c.3. *Reexamination families*: When the Payment Standard <u>decreased</u> since the prior reexamination, did the lower standard remain in effect until the family moved to another unit, or had a change in family size/composition, or until the *second* regular, annual reexamination after the standards were lowered?

c.4. *Reexamination families*: When the family moved to a new unit, did the PHA use the appropriate payment standard effective at that time? When family size and composition changed, did the PHA apply the new payment standard appropriate to the new family size at the *next* regular, annual reexamination following the change?

d.1. If Section 8 HCV unit is located in an **exception area**, did PHA use appropriate payment standard for the area?

d.2. Where the PHA has obtained HUD approval of exception payment standard amounts that <u>exceed</u> 120% of the published FMR (approved by the Assistant Secretary for PIH), did PHA use appropriate payment standard?

e. If the PHA has received approval to use **"success rate" payment standards**, did PHA use appropriate payment standard?

f. Were there any circumstances where the PHA used a higher payment standard than the established payment standard for a family due to "reasonable accommodation"? If so, was this higher standard still within the basic range of 90% to 110% of FMR? Did the PHA appropriately document the circumstances for using a higher standard for this purpose?

3. Refer to the results of the tenant file sample review as the basis for responding to the following questions on **TTP, HAP** and **Family Share of Rent**.

	Yes	No	Unclear

a.1. Do files show evidence that the PHA correctly computes **TTP** based on the higher of: 30% of Adjusted Income; 10% of Annual Income; Welfare Rent; Minimum Rent?

a.2. Where a family was paying a **Minimum Rent** and requested a financial hardship exemption, did the PHA correctly suspend the minimum rent and adjust the HAP payment effective on the first of the month following the change in the family's circumstances? Did the PHA request documentation of the hardship situation?

PHA: [   ]   HUD Reviewer: [   ]   Date: [   ]

I.   Rent and HAP – Section 8 HCV only (continued)

	Yes	No	Unclear

b.1. Where the unit's Gross Rent is <u>equal to or less than</u> the appropriate Payment Standard for that unit, does the PHA correctly compute **HAP** based on the Gross Rent minus the TTP?

b.2. Where the unit's Gross Rent is <u>more than</u> the appropriate Payment Standard for that unit, does the PHA correctly compute **HAP** based on the appropriate Payment Standard minus the TTP?

b.3. *Reexamination families:* When the reexamination resulted in **HAP** of zero dollars ($0), did HAP contract remain in effect for 6 months after the reexamination effective date? Where more than 6 months elapsed since the reexamination effective date, and family circumstances did not change, was HAP contract terminated for the family?

c.1. *Recent Admission families:* Where the unit's Gross Rent was <u>equal to or less than</u> the appropriate Payment Standard for that unit, did the PHA correctly compute the Family Share of rent as equal to TTP?

(NOTE: Also applies to *Portability-in* families who were <u>not</u> already receiving assistance in the Initial PHA's jurisdiction)

c.2. *Recent Admission families:* Where the unit's Gross Rent was <u>more than</u> the appropriate Payment Standard for that unit, did the PHA correctly compute the Family Share of rent as equal to TTP <u>plus</u> the amount by which Gross Rent exceeds Payment Standard, <u>but not greater than</u> the family's maximum initial rent burden (40% of Monthly Adjusted Income)? Does the PHA disapprove units where Family Share of rent would exceed maximum initial rent burden at initial lease-up?

(NOTE: Also applies to *Portability-in* families who were <u>not</u> already receiving assistance in the Initial PHA's jurisdiction)

d.1. *Reexamination families:* Where the unit's Gross Rent is <u>equal to or less than</u> the appropriate Payment Standard for that unit, did the PHA correctly compute the Family Share of rent as equal to TTP?

(NOTE: Also applies to *Mover* families and *Portability-in* families who <u>were</u> already receiving assistance in the Initial PHA's jurisdiction)

d.2. *Reexamination families:* Where the unit's Gross Rent is <u>more than</u> the appropriate Payment Standard for that unit, did the PHA correctly compute the Family Share of rent as equal to TTP <u>plus</u> the amount by which Gross Rent exceeds Payment Standard?

(NOTE: Also applies to *Mover* families and *Portability-in* families who <u>were</u> already receiving assistance in the Initial PHA's jurisdiction)

PHA: [　　　　　　　] HUD Reviewer: [　　　　　　　] Date: [　　　　　]

I.　Rent and HAP – Section 8 HCV only (continued)

		Yes	No	Unclear
e.	Where the family is a "mixed" family (includes both members who are citizens or have eligible immigration status, and members who do not have eligible immigration status), does the PHA correctly **prorate** the amount of HAP assistance, based on the percentage of household members who are citizens or have eligible immigration status? Is "prorated HAP" subtracted from Gross Rent to determine prorated Family Share of rent?			
f.	Where the HAP exceeds the rent-to-owner, does the PHA correctly compute a **utility reimbursement** as the amount by which the HAP exceeds the rent-to-owner? Does the PHA pay the full rent-to-owner as the HAP payment? Does the PHA issue the utility reimbursement directly to family or utility providers?			
g.	Do files show evidence that the PHA-developed worksheets, guides, computer software systems, and other aids are accurate and effective in calculating TTP, HAP and Family Share of Rent?			
h.	Do files show evidence of any patterns of errors in PHA rent and HAP calculations? Are there patterns of errors by staff person, by area, etc?			
i.	Do files show evidence that PHA staff clearly understand definitions and terms used in rent and HAP calculations? All staff use a consistent approach to calculating rent and HAP?			

____ **3.**　Chart the entire process of rent and HAP calculation in the Section 8 HCV program.

- Interview PHA staff responsible for rent and HAP calculation. Have staff "walk" you through the process of rent calculation. Outline the steps.

- Determine if the PHA uses some form of computer software application or program to record and calculate rent and HAP in the Section 8 HCV program. If so, have staff "walk" you through the process of entering income information and data into the system.

- Examine data input screens carefully to ensure a thorough understanding of the PHA's system, as well as any reports generated by the system.

- Ensure that you understand how rent and HAP calculations are made in the system, based on data input by PHA staff.

		Yes	No	Unclear
a.	Does the PHA have adequate internal quality controls on the accuracy of rent and HAP calculations (e.g., sample of calculations reviewed by a person other than the person who did them; supervisory review of a sample of rent and HAP calculations)?			

PHA: [ ] **HUD Reviewer:** [ ] **Date:** [ ]

I.   Rent and HAP – Section 8 HCV only (continued)

	Yes	No	Unclear

b. Based on analysis of the PHA's system, does it appear that consistently following the process would lead PHA staff to accurately determine rent and HAP? Are there fundamental flaws in the process that might lead to errors, inaccurate calculations, etc.

c. Have staff received adequate training on current requirements for calculating Section 8 HCV rent and HAP?

Notes and Observations on Section 8 HCV Rent and HAP

PHA: [   ]   HUD Reviewer: [   ]   Date: [   ]

J.   Reexaminations

Key Measures of Success

— **PHA reexamination materials and processes, including the use of reexamination interviews, are clear, thorough and effective at identifying all family information relative to income and rent.**

— **PHA staff is trained in reexamination policies and procedures, including interview techniques.**

— **PHA has adequate internal quality controls over the reexamination process.**

Monitoring Actions & Questions

— **1.**   Obtain copies of all materials used by the PHA during the reexamination process, which could include:

  ___ Materials completed by tenant family – continued occupancy, release statements, certifications, etc.

  ___ Materials provided to the tenant family, guidance on requirements, etc.

  ___ Sample verification forms, verification letters, etc.

  ___ Worksheets, tables, guides, other aids used by PHA to compute income and rent

  ___ Interview scripts, interview formats and checklists, etc.

  ___ Other:

— **2.**   Review reexamination materials to determine effectiveness at soliciting and identifying <u>all</u> relevant aspects of the family's income and rent situation, including:

	Yes	No	Unclear
a.1. All income sources including wages and earned income, assets and asset income, welfare benefit income, Social Security and other forms of benefit income, etc.?			
a.2. Circumstances that would justify <u>exclusion</u> of income sources from consideration as Annual Income, including the family's qualification for earned income exclusion?			
a.3. All factors contributing to income <u>deductions</u> for purposes of determining Adjusted Income, including medical expenses, child care expenses, disability assistance expenses, number of dependents, etc.?			
a.4. *Public Housing Applicants only:* All PHA-adopted permissive adjustments and deductions when computing Adjusted Income, as established by PHA policy?			

PHA: [ ]   **HUD Reviewer:** [ ]   **Date:** [ ]

J.   Reexaminations (continued)

	Yes	No	Unclear

a.5. Citizenship and/or eligible immigration status of all family members, including new members joining the household since the last reexamination?

a.6. Social Security Numbers for all family members age 6 and over, including new members joining the household and current members who have reached the age of 6 since the last reexamination?

a.7. Changes to family composition, members added, members leaving, addition of non-family residents (live-in aids, foster children, etc.), since last reexamination?

a.8. Other:

b. Reexamination materials are clear and easy to understand for tenants?

c. Reexamination materials are made available in different languages for non-English speaking families?

3. Chart the entire Reexamination process, from PHA notices of upcoming reexaminations, through the reexamination interview, verification of relevant information and effective date of new rent amounts.

- Interview PHA staff responsible for processing reexaminations. Have staff "walk" you through the reexamination process. Outline the steps.

- Determine if the PHA uses some form of computer software application or program to capture and record information on tenants. If so, have staff "walk" you through the process of entering information and data into the system. Examine data input screens carefully to ensure a thorough understanding of the PHA's system, as well as any reports generated by the system.

	Yes	No	Unclear

a. Does the PHA track the scheduling of reexaminations to ensure that reexams take place at the appropriate times? Key pieces tracking information include:

- Lease and HAP contract effective date (Section 8 HCV only)?
- Reexamination effective date?
- Key reexamination scheduling notices – 1st notice, 2nd notice, etc.?
- Notice of effective date of rent adjustment?
- Date that next reexamination will commence?
- Other:

PHA: [   ] **HUD Reviewer:** [   ] **Date:** [   ]

J.   Reexaminations (continued)

		Yes	**No**	**Unclear**
b.	Is the PHA reexamination process reasonable, fair and accessible to all tenant families?			
c.	Are all locations where reexaminations are processed (central location; area offices; temporary location; etc.) accessible to the elderly and disabled?			
d.	Has the PHA made provisions to accommodate those tenants with special needs (e.g., language translation, vision-impaired, hearing-impaired, etc.) during the reexamination process?			
e.	Does the PHA use essentially the same processes and procedures for verification and documentation of relevant income and rent information at reexamination as those used for new admissions?			
f.	Does the PHA have a process to handle tenants who refuse to cooperate in reexaminations?			
g.	Does the PHA have adequate internal controls on the accuracy and integrity of the reexamination process (e.g., sample of reexamination results reviewed by a person other than the person who did them; supervisory review of a sample of reexaminations)?			
h.	Does it appear that PHA staff clearly understands the reexamination process and are all using a consistent approach to conducting reexaminations? Have staff received training on the reexamination process?			
i.	Does the PHA devote sufficient time and resources to the reexamination process overall?			
j.	Does the PHA maintain a clear record of all reexaminations in process the various stages of processing?			
k.	Are files maintained in a place that assures confidentiality and access only by authorized staff?			

____ **4.** Determine if there is an established protocol for reexamination interviews. Sit in on a reexamination interview at the PHA (if possible).

- Observe the type of questions asked.

- Review any interview script or checklist used by the PHA interviewer to assess the level of detail of information gathered at the interview stage.

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

J.   Reexaminations (continued)

	Yes	No	Unclear
a. Does the reexamination interview effectively support the reexamination process, identifying and clarifying <u>all</u> relevant aspects of the family's eligibility, income and rent situation?			
b. Does the PHA interviewer follow an interview script or checklist to ensure that all relevant information is solicited? Is the script accurate and thorough?			
c. Does the PHA interviewer ask appropriate follow-up questions when the family offers relevant information?			
d. Does the interview solicit and identify all potential sources of income including earned income, benefit income, assets and asset income, regular contributions and gifts, etc?			
e. Does the interview solicit and identify citizenship and/or eligible immigration status of all family members, including any new members added to the family since admission or since the last reexamination?			
f. Does the interview solicit and identify Social Security Numbers for all family members age 6 and over, including new members added to the family and current members who have reached the age of 6 since the last reexamination?			
g. Does the PHA devote sufficient time to the interview process? Does it appear that the PHA views the interview as an effective information-gathering process (or merely a formality)?			
h. Have staff received training on tenant interviews, effective interview techniques?			

5. Refer to the results of all **reexamination families** from the tenant file sample review as the basis for responding to the following questions.

	Yes	No	Unclear
a. Are reexamination materials organized to provide an accurate and chronological history of events? Does the PHA maintain documentation of any changes in family's circumstances –family size and composition, eligibility of family members, income, citizenship/eligible immigration status, Social Security Numbers, etc.?			
b. *Public Housing only:* Does the PHA conduct reexaminations of family composition at least annually for all families, reexaminations of income at least annually for families paying an income-based rent, and reexaminations of income at least once every three years for families paying a flat rent?			

PHA: [ ]   **HUD Reviewer:** [ ]   **Date:** [ ]

J.   Reexaminations (continued)

	Yes	**No**	**Unclear**

c.   *Section 8 HCV only:* Does the PHA conduct reexaminations of family composition and income at least annually for all families?   [ ] [ ] [ ]

d.   *Section 8 HCV only:* Does the PHA appropriately handle the results of the annual reexamination?   [ ] [ ] [ ]

- Are decreases in Family Share generally effective the 1st day of the month following the change?
- Are increases in Family Share generally effective the 1st day of the month following reasonable advance notice to the family (generally, 30 days)?
- Does the PHA provide family and owner with notice of the amount and effective dates of the new HAP, new Family Share of rent, and new rent-to-owner?
- If TTP has increased, does the PHA provide family with opportunity for an informal hearing?

e.   *Section 8 HCV only:* Does the PHA appropriately apply any changes resulting from revised Payment Standards? Where the Payment Standard increased, did the PHA apply the higher standard at the first regular, annual reexamination (not interim reexaminations)? Where the Payment Standard decreased, did the lower standard remain in effect until the family moved to another unit, or had a change in family size/composition, or until the second regular, annual reexamination after the standards were lowered?   [ ] [ ] [ ]

f.   Do tenant files show evidence of scheduling of reexams, advance notification to tenants in sufficient time to complete reexams prior to effective date, etc.?   [ ] [ ] [ ]

g.   Do tenant files show evidence that the PHA is consistently identifying and verifying all potential sources of income including wages and earned income, assets and asset income, welfare benefit income, Social Security and other forms of benefit income, etc.?   [ ] [ ] [ ]

h.   Do tenant files show evidence that the PHA is consistently identifying and verifying all circumstances that would justify exclusion of income sources from consideration as Annual Income, including qualification for earned income exclusion?   [ ] [ ] [ ]

i.   Do tenant files show evidence that the PHA is consistently identifying and verifying all factors contributing to income deductions for purposes of determining Adjusted Income, including medical expenses, child care expenses, disability assistance expenses, number of dependents, etc.?   [ ] [ ] [ ]

j.   *Public Housing only:* Is the PHA consistently identifying and verifying all PHA-adopted permissive adjustments and deductions when computing Adjusted Income, as established by PHA policy?   [ ] [ ] [ ]

PHA: [   ]   **HUD Reviewer:** [   ]   **Date:** [   ]

J.   Reexaminations (continued)

		Yes	No	Unclear
k.	Do tenant files show evidence that the PHA is consistently identifying and verifying citizenship and/or eligible immigration status of all family members, including any new members added to the family since admission or since the last reexamination?			
l.	Do tenant files show evidence that the PHA is consistently identifying and verifying Social Security Numbers of all family members age 6 and older, including any new members added to the family, or existing family members reaching the age of 6, since admission or since the last reexamination?			
m.	Do files consistently contain a privacy act notice and release and consent forms for verification of information?			
n.	Do tenant files show evidence of a consistently clear connection between the information gathered at reexamination and the documented information used to establish family income and rent?			
o.	Do tenant files show evidence that families are reporting changes in family income and composition, between regularly scheduled reexaminations, as required by PHA policy and within the timeframes established by PHA policy?			
p.	Do tenant files show evidence that PHA is conducting interim reexaminations in accordance with PHA policy, and that any changes in Tenant Rent, Family Share of Rent and HAP resulting from interim reexams are effective on dates established by PHA policy?			
q.	Do tenant files show evidence that the PHA is processing interim reexaminations for reduction in rent, as required, when family reports reduction in income, and that no family has been required to pay more than the appropriate rent for an extended period of time because the PHA has failed to, or refused to, process an interim reexamination?			
r.	Do tenant files show evidence that the PHA is applying its reexamination policies uniformly to all families?			

PHA: [   ] **HUD Reviewer:** [   ] **Date:** [   ]

J.   Reexaminations (continued)

Notes and Observations on Reexaminations

PHA: [ ]   HUD Reviewer: [ ]   Date: [ ]

K.   HUD-50058 and Multifamily Tenant Characteristics System (MTCS)

Key Measures of Success

— **PHA reporting rate for submission of HUD-50058 data into PIC/MTCS, for both the public housing and Section 8 HCV programs, is at or above the minimum reporting targets.**

— **PHA monitors HUD-50058 data transmission for data accuracy and integrity.**

Monitoring Actions & Questions

1. Determine and review the PHA's reporting rate for HUD-50058 submissions into PIC/MTCS.

			Yes	No	Unclear
a.1. *Public Housing:*	PHA reporting rate:	**%**			
a.2. *Public Housing:* Reporting rate at or above the minimum reporting targets?					
b.1. *Section 8 HCV:*	PHA reporting rate:	**%**			
b.2. *Section 8 HCV:* Reporting rate at or above the minimum reporting targets?					
c. Where the PHA has not met minimum reporting targets, has the PHA submitted forbearance requests that adequately explain reasons for failure to meet minimum reporting targets, and steps taken to improve their reporting rate?					
d. Has the PHA, in fact, made improvements in their reporting rate? Where the PHA has not shown improvement, or has not submitted a forbearance request, have appropriate sanctions been taken?					

2. Chart the process of PHA transmission of HUD-50058 data into PIC/MTCS.

- Interview responsible PHA staff and discuss the transmission process. Have staff "walk" you through the process of entering information into the system and transmitting data. Examine data input screens carefully to ensure a thorough understanding of the PHA's system, as well as any reports generated by the system.

	Yes	No	Unclear
a. Is there a clear link between:			

- data gathered during the application / admission / reexamination processes,
- data entered into the PHA's data system, and
- data recorded on HUD-50058 and transmitted to PIC/MTCS?

PHA: [ ] **HUD Reviewer:** [ ] **Date:** [ ]

K.   HUD-50058 and MTCS (continued)

		Yes	No	Unclear

b. Does the PHA have an internal quality control process for HUD-50058 data accuracy and integrity? Does the PHA use PIC/MTCS reports to conduct quality control checks, comparing specific discrepancies on the reports with the file records for the specific tenants?

c. Have staff received adequate training on current HUD-50058 reporting requirements, data transmission, data integrity, etc.?

3 Refer to the results of the tenant file sample review as the basis for responding to the following questions.

		Yes	No	Unclear

a. Do tenant files show evidence that the information reported on HUD-50058 for each family is consistent with the source documentation found in the tenant file? If not, is there a pattern of errors?

b. Where the file sample review uncovered inconsistencies between data in tenant files and data found in PIC/MTCS, does the PHA's data gathering and transmission processes contribute to these inconsistencies? Is there anything inherent in the process that impacts the reliability and accuracy of the data?

Notes and Observations on HUD-50058 and MTCS